



RANDOLPH COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2005



NEIGHBORHOOD INFORMATION MEETINGS
ARE HELD PRIOR TO ZONING DECISIONS

RANDOLPH COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2005



Prepared by:

Randolph County Finance Office

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County Manager/Finance Officer

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RANDOLPH COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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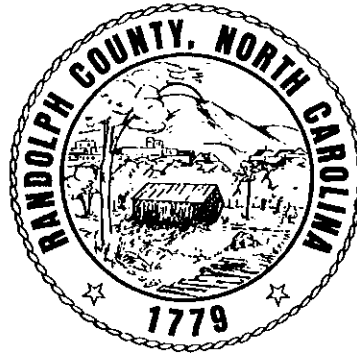
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INTRODUCTORY SECTION

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October 10, 2005

To The Board of Commissioners and Citizens of Randolph County, North Carolina

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Randolph County (County) for the fiscal year ended June 30, 2005.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Cherry, Bekaert, and Holland, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement

presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated, "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These compliance letters, along with the schedule of expenditures of federal and state awards, findings and recommendations, if any, are published in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Gently rolling hills, river valleys, and forest land characterize Randolph County's 790 square miles. Founded by Quaker settlers in the 1780's, the area offered rich farmland and rivers that provided abundant waterpower. Randolph County is home to the Uwharrie Mountains, one of the world's oldest mountain ranges.

Randolph County is strategically located in the geographic center of North Carolina. It is the 11th largest county in North Carolina and has the 17th highest population in the state. Nine municipalities are incorporated within the county with Asheboro as the county seat. Asheboro is approximately 70 miles from Raleigh, the State Capital, and from Charlotte, the state's largest city.

Randolph County is a part of the Piedmont Triad region, a six-county area whose central location puts it within 90 miles of the Blue Ridge Mountains to the west and within 200 miles of the Atlantic Ocean to the east. The county sits in the middle of the Eastern Seaboard, within 500 miles of half of the nation's population and largest markets.

Long known as a manufacturing center, traditional industries included textiles, apparel, and furniture along with agriculture. The area's economic base has transitioned to a technology based and value added manufacturing.

Although Randolph County is a part of the largest metropolitan area located entirely within North Carolina, it is still small-town living at its best - close enough to larger cities to have access to the amenities, but small enough to escape such urban problems as traffic congestion, higher unemployment, and an increasing crime rate.

Randolph County is home to the North Carolina State Zoological Park, the nation's largest natural-habitat zoo with 500 acres of exhibits and over 1,000 animals. Also located in the County are the Richard Petty Museum (celebrating NASCAR's all-time career victory leader), the Uwharrie National Forest, and the Seagrove area potteries, which enjoy an international reputation for exceptional hand thrown pottery.

Randolph County is also proud to be the home of the Victory Junction Gang Camp, founded by NASCAR's famed Petty family. This facility provides camping experiences for chronically ill children on a 65-acre site near Randleman. The camp is the latest of the "Hole in the Wall Gang Camps" founded by actor Paul Newman.

The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from districts, at-large, on a partisan basis and serve staggered four-year terms. Commissioners hold policy-making authority and are responsible for adopting the budget and hiring the manager. The county manager is responsible for implementing policies of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The county manager also functions as budget officer, ensuring fiscal compliance with the annual budget adopted by the Board.

Randolph County provides a wide range of services, including public safety, environmental protection, human services (Social Services, Public Health and Mental Health), planning and zoning, cultural, general administration and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are Randolph County Board of Education, Asheboro City Board of Education, Randolph Community College, Randolph County Senior Adults Association, and Randolph County Economic Development Corporation.

Randolph County is also financially accountable for a legally separate public authority, the Randolph County Tourism Development Authority, which is reported separately within Randolph County's financial statements. Additional information on this authority can be found in Note I.A. in the notes to the financial statements.

Factors Affecting Financial Condition

The following paragraphs describe the specific environment within which Randolph County operates, providing context for understanding the information presented in the financial statements.

Local economy

The County's economy is highly diversified with a variety of industry and growing trade and tourism sectors. Randolph County is located in the center of the state, has an excellent transportation system, and a strong and willing work force; these have been enticements to a variety of companies in recent years. The addition of new and diversified industries, along with strong commitment from Randolph Community College, has broadened the skills of the local work force.

Additionally, retail sales have grown in recent years, due to new shopping centers opening throughout the County, especially in Archdale, Asheboro, Ramseur and Randleman. Health care has become one of the fastest growing sectors, and Randolph Hospital today is the fourth largest employer in the County. New home construction and real estate sales have remained strong with growth occurring countywide.

The national decline in economic conditions has also affected Randolph County. For many years, the County unemployment rate continued to be one of the lowest in North Carolina. The rate currently stands at 5.0%, below the statewide rate of 5.5%. While many areas have companies that are reducing capacity by closing plants and reducing their work force, Randolph County has benefited by having some of this capacity transferred to our area's existing industry. Other companies are using this time to diversify their current operations by developing new product lines. Local companies are finding ways to compete in a global environment and choosing Randolph County for expansion. For example, Energizer Battery selected the County for a \$92 million capacity expansion. Plastics company Technimark is adding 31,000 square feet of manufacturing space at an investment of \$36.5 million. StarPet, Thomas Built Buses, Rheem Sales Co. Inc., and The Timken Company have all completed recent expansion of local operations. Several other firms have recently announced plans to expand existing operations.

The fundamental strengths of our local economy remain healthy. Furniture currently stands at 15.34% of the job base when combined with lumber and other wood products. Textiles continue to decline as a percentage of the overall job and tax base, now at 7.56% of the jobs in the County. Metalworking, chemical and plastics, and electronic and other

electrical products along with instruments constitute 14.51% of the manufacturing jobs in the County. Broad based job creation across the manufacturing and ancillary industrial sector is occurring as companies refill inventories and respond to increased product demand. In 2005, the vacancy rates for industrial and commercial space remain tight, with most buildings selling or leasing within 90-120 days. Within the last 18 months, more than 590,000 square feet of industrial space has been sold or leased by end users. An additional 450,000 square feet of new industrial space has been announced within the same 18-month period.

The Randolph County Economic Development Corporation (RCEDC), formed in 1985 and funded significantly by the County, has been responsible for a large portion of the County's industrial growth and diversity since its inception. The Corporation's overall goal is to promote Randolph County as an attractive area for industrial and commercial growth. In the last six years, new industrial investment has totaled nearly \$450 million by both new and existing industries. This increased investment generated more than 3,420 new jobs. Continuous attention is placed on meeting the needs of existing industry. In the past years, the RCEDC has received numerous national and regional awards of excellence for marketing, promotion and industrial recruitment.

Tourism has played an important role in the County's economy in recent years. The County is proud to be the home of the North Carolina State Zoological Park, which is one of the nation's finest all-natural-habitat zoos. The nearly 1,500-acre park provides opportunities for over seven hundred thousand visitors per year to discover the animals of the North American and African continents, through large indoor and outdoor habitats that simulate the animals' wild environments. Other tourism attractions consist of four special interest museums: the famous Richard Petty Museum, the American Classic Motorcycle Museum, the Aircraft Conservation Museum and the North Carolina Pottery Center. With the efforts of the Randolph Tourism Development Authority to promote tourism, the number of tourists visiting the County should continue to rise.

Long-term Financial Planning

Several issues have been discussed in recent months, which may require a financial commitment by the County. The first involves the joint venture in the Piedmont Triad Regional Water Authority, which is developing Randleman Lake as a safe and dependable water supply for North Carolina's Piedmont Triad region that will satisfy the projected water demand for a period of 50 years. The project includes the establishment of a 3,000+/- acres reservoir and the preservation of a 3,000 +/- acres buffer zone consisting of a strip approximately 200 feet wide around the reservoir.

As of June 30, 2005, Randolph County has an 18.75% interest in the raw water in Randleman Lake. During the year, the County exercised options to purchase rights to an

additional 4 million gallons per day of raw water from the other governments. Randolph County used installment purchase financing to acquire these water rights and to fund some small construction projects, including a new library facility for the Seagrove area.

The County has also completed a strategic technology plan, managed by a consultant from the Institute of Government, a school of the University of North Carolina. The goals were a) to develop a means of anticipating and planning solutions for our technology need, b) to prioritize projects utilizing our resources and outside options, and c) to develop a means of measuring the effectiveness of all technology projects. This plan will serve as the basis for updating our current technology, which will cost several hundred thousand dollars.

Finally, for years the County has been actively building and renovating public school facilities in order to accommodate student growth and maintain a safe environment for students. Currently, the Board of Commissioners has approved the construction of two new high schools and renovation of an elementary school to lighten the overcrowding. The anticipated cost of these projects is \$56.2 million, with installment purchase financing to be issued in 2006. There are still many critical needs in both school districts and the community college, which will be addressed in later years.

Cash management policies and practices

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. The County invests idle funds with the objectives, in priority order, of safety, liquidity, and yield. All investments must comply with state law, which specifies the types of securities allowable. Randolph County invests primarily in certificates of deposit and the North Carolina Capital Management Trust Cash Portfolio, an SEC-registered (2a-7) money market mutual fund. This strategy ensures that adequate funds are available to meet its obligations while taking advantage of interest rates corresponding to acceptable risk.

Risk management

The County has adopted limited self-insurance plans funded by the General Fund covering short-term disability, workers' compensation, comprehensive and collision deductibles, and incurred but not reported insurance claims. The County is a member of the North Carolina Liability and Property Insurance Pool Fund, which is made up of 69 counties and 61 other entities throughout the state. Through these pools, the County obtains property insurance coverage of \$150 million per occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to statutory limits.

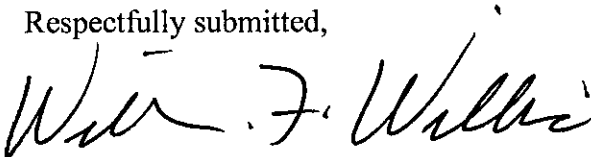
Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Randolph County for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the 16th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. I would like to express my appreciation to all members of the County administrative staff for their contributions. I would also like to thank the members of the Board of Commissioners for their dedication to the citizens of Randolph County and for their continued interest and support throughout the past year.

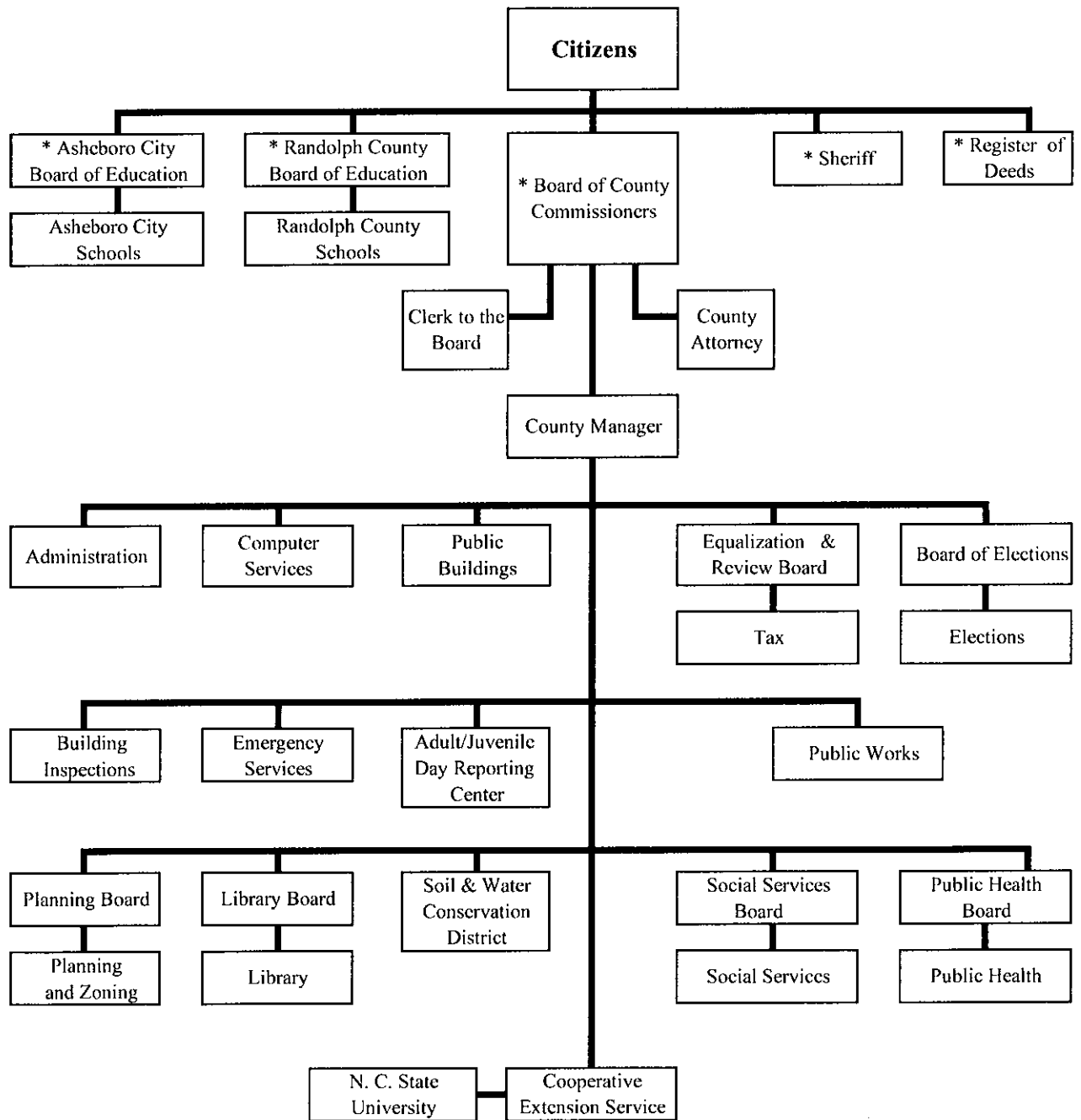
Respectfully submitted,

A handwritten signature in black ink, appearing to read "William F. Willis". The signature is fluid and cursive, with the first name "William" and last name "Willis" being clearly distinguishable.

William F. Willis
County Manager/Finance Officer

RANDOLPH COUNTY, NORTH CAROLINA

ORGANIZATIONAL CHART



* Elected Officials

Randolph County, North Carolina

List of Principal Officials

June 30, 2005



Elected Officials

County CommissionerJ. Harold Holmes, *Chairman*
County CommissionerDarrell L. Frye, *Vice Chairman*
County CommissionerRobert B. Davis
County CommissionerPhil Kemp
County CommissionerRobert O. Mason
SheriffLitchard Hurley
Register of Deeds.....Ann Shaw

County Officials

County Manager/Finance OfficerWilliam F. Willis
County Attorney.....Aimee Scotton
Tax Administrator.....Ben Chavis
Director of Building Inspections.....Paxton Arthurs
Director of Building MaintenanceBill McDaniel
Director of Cooperative ExtensionCarolyn Langley
Director of Data Processing.....Annette Crotts
Director of ElectionsPatsy Foscue
Director of Emergency ServicesNeil Allen
Director of Planning /Zoning.....Hal Johnson
Director of Public Health.....Mimi Cooper
Director of Public Library.....Richard Wells
Director of Public WorksDavid Townsend, III
Director of Social ServicesMartha Sheriff

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Randolph County,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

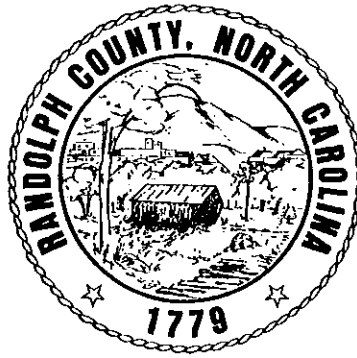


Nancy L. Ziehlke

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION

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The Firm of Choice.

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Independent Auditor's Report

The Honorable Members of the Board
of County Commissioners
Randolph County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Randolph County, North Carolina (the "County"), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Randolph County Tourism Development Authority were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Randolph County, North Carolina as of June 30, 2005, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The combining and individual fund statements and schedules, and the additional financial data listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the accompanying Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Cherry Bekaert + Holland LLP

Asheboro, North Carolina
October 6, 2005

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Randolph County, North Carolina

Management's Discussion and Analysis

As management of Randolph County, we offer readers of Randolph County's financial statements this narrative overview and analysis of the financial activities of Randolph County for the fiscal year ended June 30, 2005. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

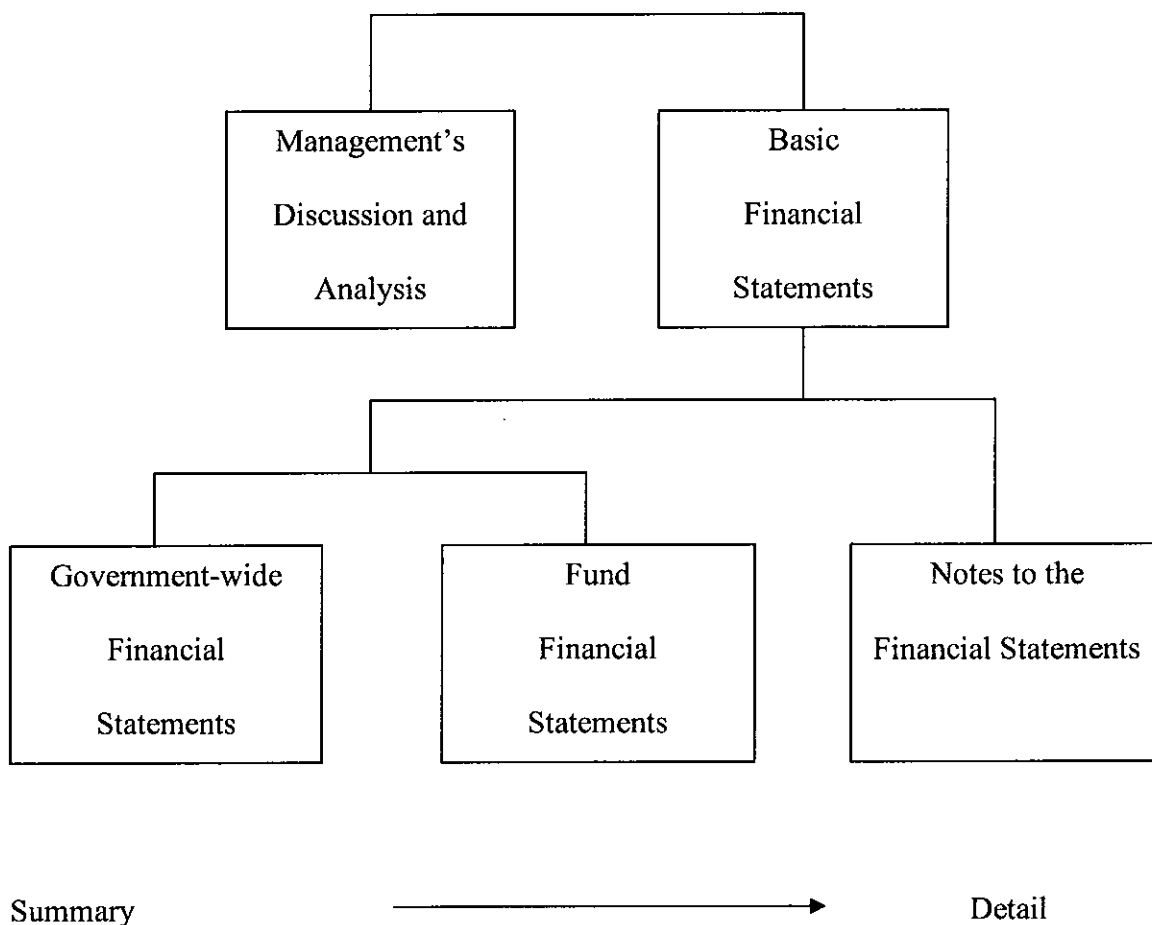
- The assets of the County exceeded its liabilities at the close of the fiscal year by \$6,106,357 (*net assets*). Under North Carolina law, counties are responsible for providing public school facilities. At June 30, 2005, Randolph County had outstanding debt of \$73,654,646 associated with assets owned by the Randolph County Board of Education, the Asheboro City Board of Education, and Randolph Community College. Although this debt is reported in the financial statements as liabilities of Randolph County, the school facilities are not considered capital assets of the County and are not included in the financial statements. This has the effect of reducing total net assets for the County.
- The government's total net assets increased by \$ 8,629,769, primarily due to increased net assets in the General Fund.
- As of the close of the current fiscal year, Randolph County's governmental funds reported combined ending fund balances of \$43,027,074, an increase of \$2,954,403 in comparison with the prior year. Approximately seventy percent of this total amount, or \$30,591,848, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$25,104,648, or 27.9 percent of total general fund expenditures for the fiscal year.
- Randolph County's total debt increased by \$220,834 (.25%) during the current fiscal year. The key factors in this increase are new installment purchase debt of \$6,230,000 less the required principal payments of \$6,009,166.
- Randolph County maintained for the 7th consecutive year, its Aa3 bond rating from Moody's Investor Service and for the 5th consecutive year, its AA- rating from Standard and Poor's Corporation.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Randolph County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Randolph County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short- and long-term information about the County's financial status.

The next statements (Exhibits 3 through 7) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

After the notes and required supplemental information, additional **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities of the primary government (the County) and 2) component units. The governmental activities include most of the County's basic services such as public safety, human services, and general administration. Property taxes and state and federal grant funds finance most of these activities. The other category is the component unit. Randolph County Tourism Development Authority (TDA) is a public authority created by the County to promote tourism and is funded primarily by an occupancy tax assessed by the County. The County Commissioners appoint the board of directors for the TDA.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Randolph County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Randolph County can be classified within the governmental funds category.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Randolph County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Randolph County has seventeen fiduciary funds, one of which is a pension trust fund and sixteen of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on pages 25 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Randolph County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Randolph County exceeded liabilities by \$ 6,106,357 as of June 30, 2005. The County's net assets increased by \$8,629,769 for the fiscal year ended June 30, 2005. One of the largest portions reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Randolph County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Randolph County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Randolph County's net assets (61%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(21,095,127) is unrestricted.

Randolph County's Net Assets

Figure 2

	Governmental Activities	
	2005	2004
Current and other assets	\$ 67,227,375	\$ 59,996,718
Capital assets	35,750,794	34,827,648
Total assets	102,978,169	94,824,366
Long-term liabilities outstanding	93,610,043	93,193,176
Other liabilities	3,261,769	4,154,602
Total liabilities	96,871,812	97,347,778
Net assets:		
Invested in capital assets, net of related debt	23,461,269	21,581,815
Restricted	3,740,215	3,692,311
Unrestricted	(21,095,127)	(27,797,538)
Total net assets	\$ 6,106,357	\$ (2,523,412)

As with many counties in North Carolina, the County's deficit in unrestricted net assets is due primarily to the portion of the County's outstanding debt incurred for the two Boards of Education within Randolph County and the Community College. Under North Carolina law, the County is responsible for providing capital funding for these school systems. The County meets its legal obligation to provide school system capital funding through both current appropriations and issuance of general obligation and installment purchase debt. Although certain asset purchases and construction projects are funded by the County, all such facilities are owned and utilized by the school systems.

Since the County, as the issuing government, acquires no capital assets, the County has incurred liability without a corresponding increase in assets. As of June 30, 2005, \$73,654,646 of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.07%, higher than the statewide average of 96.14%.
- After several years of stagnant retail sales, sales tax collections grew 5.6%.
- Continued revenue growth in charges for Emergency Medical Services.
- Restructuring of an escrow fund resulted in immediate savings of \$439,321.
- Continued low cost of debt due to the County's high bond rating.
- Despite a tight budget, departments maintained services through effective management of resources and without exceeding fiscal limits.

Randolph County Changes in Net Assets

Figure 3

	Governmental Activities 2005	Governmental Activities 2004
Revenues:		
Program revenues:		
Charges for services	\$ 10,092,648	\$ 10,033,376
Operating grants and contributions	16,122,451	13,165,817
Capital grants and contributions	32,609	50,909
General revenues:		
Property taxes	47,490,811	46,775,147
Sales taxes	21,496,129	20,348,995
Other taxes	1,727,065	1,433,767
Other	2,027,453	1,779,222
Total revenues	<u>98,989,166</u>	<u>93,587,233</u>
Expenses:		
General government	8,293,182	10,026,294
Public safety	22,367,554	20,518,846
Economic and physical development	2,028,595	1,619,775
Environmental protection	3,102,096	3,192,249
Human services	25,970,858	24,071,313
Culture and recreation	1,599,807	1,482,224
Education	22,526,568	20,582,034
Interest on long-term debt	4,470,737	4,899,065
Total expenses	<u>90,359,397</u>	<u>86,391,800</u>
Increase in net assets before special item	8,629,769	7,195,433
Contribution of assets to Sandhills Center	<u>-</u>	<u>(2,725,823)</u>
Increase in net assets	8,629,769	4,469,610
Net assets, July 1	(2,523,412)	(8,391,299)
Prior Period Adjustment	<u>-</u>	<u>1,398,277</u>
Net assets, June 30	<u>\$ 6,106,357</u>	<u>\$ (2,523,412)</u>

Governmental activities. Governmental activities increased the County's net assets \$8,629,769 for the year. Key elements in several areas affected the County's net assets:

- Increase in fee revenue for Emergency Medical Services.
- Growth in property tax base beyond budgeted levels.

- Maintenance of the County's high tax collection rate of 98.07%.
- After several years of stagnant retail sales, sales tax collections grew 5.6%, for an additional \$1,488,850 beyond the budgeted level.
- Restructuring of an escrow fund resulted in immediate savings of \$439,321.
- Medicaid costs rose 19.12 percent, or an additional \$950,524.

Financial Analysis of the County's Funds

As noted earlier, Randolph County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Randolph County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Randolph County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Randolph County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$25,104,648, while total fund balance reached \$37,269,758. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27.89 percent of total General Fund expenditures, while total fund balance represents 41.40 percent of that same amount.

At June 30, 2005, the governmental funds of Randolph County reported a combined fund balance of \$43,027,074, a 7.4 percent increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$3,018,890, or 3.56 percent. These changes were primarily to record increased federal and state financial assistance.

Actual revenues exceeded budgeted amounts by \$5,075,885, which was the result of strong property tax revenues, sales tax collections, and ambulance fees. Expenditures were \$4,987,590 under budget, with unspent monies primarily due to delayed public building projects, economic development incentives not yet disbursed, and lower than projected departmental operating costs.

Capital Asset and Debt Administration

Capital assets. Randolph County's capital assets for its governmental-type activities as of June 30, 2005, totals \$ 35,750,794 (net of accumulated depreciation). These assets include buildings, land, land improvements, machinery and equipment, and vehicles.

Major capital asset transactions during the year include:

- Purchased two new ambulances for Emergency Services and new vehicles and patrol car computers for Sheriff.
- Purchased public safety equipment through Homeland Security grants.
- Initial construction on Seagrove Library (\$473,031), renovations to public buildings (\$139,509), and technology improvements (\$217,820), resulting in additional construction in progress.

Randolph County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities 2005	Governmental Activities 2004
Land	\$ 2,944,858	\$ 2,931,628
Land improvements	305,235	314,233
Buildings	27,688,775	28,414,015
Machinery and equipment	2,291,436	1,647,420
Vehicles	1,690,130	1,511,217
Construction in progress	830,360	9,135
Total	<u>\$ 35,750,794</u>	<u>\$ 34,827,648</u>

Additional information on the County's capital assets can be found in note II.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2005, Randolph County had total bonded debt outstanding of \$10,515,000, all of which is debt backed by the full faith and credit of the County. In addition, the County was obligated under several installment purchase agreements, a capital lease for the telephone system, and a Clean Drinking Water note payable.

Randolph County's Outstanding Debt

Figure 5

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 10,515,000	\$ 12,805,000
Installment purchase obligations	81,204,841	78,877,655
Less deferred items, net	(3,394,331)	(3,744,295)
Capital lease	249,297	372,591
Note payable - State of N.C.	688,352	731,374
	<u>\$ 89,263,159</u>	<u>\$ 89,042,325</u>

Randolph County's total debt increased by \$220,834 during the past fiscal year, due to a new installment purchase obligation of \$6,230,000 less the required principal payments of \$6,009,166.

As mentioned in the financial highlights section of this document, Randolph County maintained for the 7th consecutive year, its Aa3 bond rating from Moody's Investor Service and for the 5th consecutive year, its AA- rating from Standard and Poor's Corporation. These bond ratings are a clear indication of the sound financial condition of Randolph County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Randolph County is \$590,504,387. The County has no bonds authorized but unissued at June 30, 2005.

For the portion of the outstanding debt that is general obligation debt, the full faith, credit and taxing power of the County is responsible for ensuring repayment. Accordingly, the County is authorized and required by state law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Much of the debt, however, is installment purchase obligations, which uses the asset itself as collateral for the outstanding debt balances. Regardless of the type of financing, the County is responsible for all repayment of issued debt.

Additional information regarding Randolph County's long-term debt can be found in note II.B.8, beginning on page 51 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The County's current unemployment rate of 5.0% is lower than the state average of 5.5%.
- The County's 2005 tax rate was \$.50 per \$100 in valuation, the 3rd lowest among urban (>100,000 population) counties and 12th lowest among all 100 counties in North Carolina.
- Hotel occupancy has increased over the past year, as reflected in fifteen percent growth in occupancy tax collections.
- New manufacturing investment of over \$70 million was announced in the last year; 582 new jobs were announced by 16 companies.
- Improvements to a wastewater facility in the southern part of the County should promote economic development in that area.

Budget Highlights for the Fiscal Year Ending June 30, 2006

Governmental Activities:

Two important issues were addressed in next year's budget: a) how to fund the growth in Medicaid costs passed down from the State and b) the funding of future economic development initiatives in Randolph County. Medicaid is a federally mandated entitlement program to provide medical assistance like insurance to individuals with low income, without limitation on the number of persons who qualify. North Carolina currently passes a portion of these costs on to county governments. Next year, our share of Medicaid is projected to grow by 25%, or nearly \$1.5 million.

The Randolph County Economic Development Corporation proposed a four-year economic development program for Randolph County to finance projects in a manner which allows the County to retain better control over its future growth. The 2005-06 Budget includes \$835,920 for future economic development projects, funded with an additional one cent on the property tax rate dedicated for infrastructure, site development, and incentives.

The 2005-06 Budget levies a 52.5¢ property tax rate, an increase of 2.5¢ to cover the additional Medicaid costs and the reserve for economic development. The county-wide property valuation is estimated at \$8.6 billion. The statewide average tax rate for counties was 65.98 cents.

The Final 2005-06 Budget totals \$97,541,594, an 8.09% increase over last year. To provide for the growing needs of our public schools, it includes an additional \$1,797,613 in Education appropriations, an increase of 8.1%.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Randolph County, 725 McDowell Road, Asheboro, NC 27205.

Randolph County, North Carolina
Statement of Net Assets
June 30, 2005

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Randolph County</u>
	<u>Activities</u>	<u>Tourism</u>
		<u>Development</u>
		<u>Authority</u>
ASSETS		
Cash and cash equivalents	\$ 36,451,835	\$ 259,310
Receivables (net)	12,002,540	35,460
Medical self-insurance account	173,967	
Prepaid items and deferred charges	984,379	
Notes receivable	767,102	
Restricted cash	497,096	
Intangible asset:		
Water rights	16,350,456	
Capital assets:		
Land, improvements, and construction in progress	3,775,218	
Other capital assets, net of depreciation	31,975,576	-
Total capital assets	35,750,794	-
Total assets	102,978,169	294,770
LIABILITIES		
Accounts payable and accrued expenses	1,996,969	19,253
Due to fiduciary funds	222,966	
Unearned revenue	466,631	
Liabilities payable from restricted assets	125,247	
Accrued interest payable	449,956	
Long-term liabilities:		
Due within one year	8,593,232	
Due in more than one year	85,016,811	1,837
Total liabilities	96,871,812	21,090
NET ASSETS		
Invested in capital assets, net of related debt	23,461,269	
Restricted for:		
General government	79,907	
Public safety	1,954,924	
Human services	1,614,182	
Cultural and recreational	91,202	
Unrestricted (deficit)	(21,095,127)	273,680
Total net assets	\$ 6,106,357	\$ 273,680

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 8,293,182	\$ 1,236,873	\$ 46,087	\$ -
Public safety	22,367,554	4,609,549	1,935,369	32,609
Economic and physical development	2,028,595	35,321	404,782	
Environmental protection	3,102,096	2,776,346	193,413	
Human services	25,970,858	1,300,617	11,916,577	
Cultural and recreation	1,599,807	133,942	347,146	
Education	22,526,568		1,279,077	
Interest on long-term debt	4,470,737	-	-	-
Total primary government	<u>\$ 90,359,397</u>	<u>\$ 10,092,648</u>	<u>\$ 16,122,451</u>	<u>\$ 32,609</u>
Component unit:				
Randolph County Tourism Development Authority	<u>\$ 343,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Gain from escrow restructuring				
Total general revenues, special items, and transfers				
Change in net assets				
Net assets-beginning				
Net assets-ending				

The notes to the financial statements are an integral part of this statement.

<u>Net (Expense) Revenue and Changes in Net Assets</u>	
<u>Primary Government</u>	<u>Component Unit</u>
<u>Governmental</u>	<u>Randolph County</u>
<u>Activities</u>	<u>Tourism</u>
	<u>Development</u>
	<u>Authority</u>
\$ (7,010,222)	
(15,790,027)	
(1,588,492)	
(132,337)	
(12,753,664)	
(1,118,719)	
(21,247,491)	
(4,470,737)	
<u>(64,111,689)</u>	
	\$ <u>(343,525)</u>
47,490,811	
21,496,129	
1,727,065	334871
974,351	5604
613,781	
439,321	-
<u>72,741,458</u>	<u>340,475</u>
8,629,769	(3,050)
<u>(2,523,412)</u>	<u>276,730</u>
<u>\$ 6,106,357</u>	<u>\$ 273,680</u>

Randolph County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2005

	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	<u>General</u>	<u>Randleman Dam Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 31,143,384	\$ 521,838	\$ 4,786,613	\$ 36,451,835
Accounts receivables, net	1,930,684	175	186,832	2,117,691
Taxes receivable, net	1,380,109		172,660	1,552,769
Due from other governments	8,215,451		4,135	8,219,586
Due from other funds	76,196		83,933	160,129
Medical self-insurance account	173,967			173,967
Prepaid items	14,777			14,777
Notes receivable	767,102			767,102
Restricted cash and cash equivalents	83,647	-	413,449	497,096
Total assets	<u>\$ 43,785,317</u>	<u>\$ 522,013</u>	<u>\$ 5,647,622</u>	<u>\$ 49,954,952</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,988,384	\$ -	\$ 8,585	\$ 1,996,969
Due to other funds	306,899		76,196	383,095
Unearned revenue	437,000		29,631	466,631
Deferred revenue	3,783,276	-	172,660	3,955,936
Liabilities payable from restricted assets	-	-	125,247	125,247
Total liabilities	<u>6,515,559</u>	<u>-</u>	<u>412,319</u>	<u>6,927,878</u>
Fund balances:				
Reserved for:				
State statute	8,775,010	175	269,941	9,045,126
Encumbrances	3,390,100		-	3,390,100
Unreserved:				
Designated for subsequent year	3,272,713			3,272,713
Undesignated	21,831,935			21,831,935
Unreserved, reported in:				
Special revenue funds	-		4,152,750	4,152,750
Capital projects funds	-	521,838	812,612	1,334,450
Total fund balances	<u>37,269,758</u>	<u>522,013</u>	<u>5,235,303</u>	<u>43,027,074</u>
Total liabilities and fund balances	<u>\$ 43,785,317</u>	<u>\$ 522,013</u>	<u>\$ 5,647,622</u>	

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	35,750,794
The disbursements reported in the Randleman Dam Capital Project are presented in the Statement of Net Assets as an increase in intangible asset	16,350,456
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,082,096
Liabilities for earned but deferred revenues in fund statements.	3,955,936
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	(94,059,999)
Net assets of governmental activities	<u>\$ 6,106,357</u>

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>Randleman Dam Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Ad valorem taxes	\$ 42,593,541	\$ -	\$ 4,928,066	\$ 47,521,607
Local option sales taxes	21,496,129			21,496,129
Other taxes and licenses	1,040,694		686,610	1,727,304
Unrestricted intergovernmental	73,019			73,019
Restricted intergovernmental	15,631,994		317,017	15,949,011
Permits and fees	2,005,241			2,005,241
Sales and services	7,693,815			7,693,815
Investment earnings	887,341	487	128,558	1,016,386
Miscellaneous	1,418,233	1,748,086	-	3,166,319
Total revenues	<u>92,840,007</u>	<u>1,748,573</u>	<u>6,060,251</u>	<u>100,648,831</u>
EXPENDITURES				
Current:				
General government	8,242,973			8,242,973
Public safety	16,854,612		5,645,340	22,499,952
Economic and physical development	1,698,595		317,017	2,015,612
Environmental protection	3,012,183		57,296	3,069,479
Human services	26,176,385			26,176,385
Culture and recreation	1,591,735		-	1,591,735
Intergovernmental:				
Education	22,136,437			22,136,437
Capital outlay		6,992,343	895,958	7,888,301
Debt service:				
Principal	6,359,130			6,359,130
Interest and other charges	3,944,424	-	-	3,944,424
Total expenditures	<u>90,016,474</u>	<u>6,992,343</u>	<u>6,915,611</u>	<u>103,924,428</u>
Excess (deficiency) of revenues over expenditures	<u>2,823,533</u>	<u>(5,243,770)</u>	<u>(855,360)</u>	<u>(3,275,597)</u>
OTHER FINANCING SOURCES (USES)				
Debt Issued	235,743	5,244,257	750,000	6,230,000
Transfers from other funds	1,866,780	500,000	2,380,581	4,747,361
Transfers to other funds	(2,880,581)	-	(1,866,780)	(4,747,361)
Total other financing sources and uses	<u>(778,058)</u>	<u>5,744,257</u>	<u>1,263,801</u>	<u>6,230,000</u>
Net change in fund balances	2,045,475	500,487	408,441	2,954,403
Fund balances - beginning	<u>35,224,283</u>	<u>21,526</u>	<u>4,826,862</u>	<u>40,072,671</u>
Fund balances - ending	<u>\$ 37,269,758</u>	<u>\$ 522,013</u>	<u>\$ 5,235,303</u>	<u>\$ 43,027,074</u>

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 2,954,403
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	968,513
The disbursements to the Piedmont Triad Regional Water Authority, which were reported in the Randleman Dam Capital Project, are not included in the Statement of Activities. Instead, these payments are presented in the Statement of Net Assets as an increase in water rights.	5,244,257
Net book value of capital assets disposed of during the year, not recognized on modified accrual basis.	(45,367)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	101,179
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	129,130
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(722,346)</u>
Total changes in net assets of governmental activities	<u>\$ 8,629,769</u>

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2005

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 41,532,000	\$ 41,563,077	\$ 42,593,541	\$ 1,030,464
Local option sales tax	20,007,279	20,007,279	21,496,129	1,488,850
Other taxes and licenses	558,600	558,600	1,040,694	482,094
Unrestricted intergovernmental	54,900	54,900	73,019	18,119
Restricted intergovernmental	12,342,936	13,970,104	15,631,994	1,661,890
Permits and fees	2,261,250	2,267,250	2,005,241	(262,009)
Sales and services	7,022,285	7,033,785	7,693,815	660,030
Investment earnings	517,786	817,786	887,341	69,555
Miscellaneous	448,196	1,491,341	1,418,233	(73,108)
Total revenues	84,745,232	87,764,122	92,840,007	5,075,885
Expenditures				
Current:				
General government	8,059,793	9,899,322	8,242,973	1,656,349
Public safety	16,074,247	17,329,466	16,854,612	474,854
Economic and physical development	1,504,307	3,315,461	1,698,595	1,616,866
Environmental protection	3,397,539	3,415,438	3,012,183	403,255
Human services	25,313,277	26,782,258	26,176,385	605,873
Culture and recreation	1,496,699	1,603,191	1,591,735	11,456
Intergovernmental:				
Education	22,196,129	22,196,129	22,136,437	59,692
Debt service:				
Principal retirement	6,395,837	6,395,837	6,359,130	36,707
Interest and other charges	3,856,760	4,066,962	3,944,424	122,538
Total expenditures	88,294,588	95,004,064	90,016,474	4,987,590
Revenues over (under) expenditures	(3,549,356)	(7,239,942)	2,823,533	10,063,475
Other financing sources (uses):				
Debt Issued		235,743	235,743	
Transfers from other funds	2,488,780	2,966,780	1,866,780	(1,100,000)
Transfers to other funds	(1,942,950)	(2,880,582)	(2,880,581)	1
Total other financing sources (uses)	545,830	321,941	(778,058)	(1,099,999)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,003,526)	\$ (6,918,001)	2,045,475	\$ 8,963,476
Fund balances:				
Beginning of year, July 1			35,224,283	
End of year, June 30			<u>\$ 37,269,758</u>	

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 224,205	\$ 110,144
Receivables, net	1,808	10,153
Taxes receivable, net		728,236
Due from General Fund	<u>-</u>	<u>222,966</u>
Total assets	<u>226,013</u>	<u>1,071,499</u>
Liabilities and Net Assets		
Liabilities:		
Miscellaneous liabilities		120,297
Intergovernmental payables	<u>-</u>	<u>951,202</u>
Total liabilities	<u>-</u>	<u>1,071,499</u>
Net assets:		
Assets held in trust for pension benefits	<u>\$ 226,013</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Randolph County, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2005

Additions:

Contributions:

Employer contributions	\$	5,390
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Investment income:

Interest		5,203
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Total additions		10,593
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Deductions:

Benefits		27,821
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Administrative expense		390
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Total deductions		28,211
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Change in net assets		(17,618)
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Net assets - beginning of year		243,631
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Net assets - end of year		\$ 226,013
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The notes to the financial statements are an integral part of this statement.



Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies

The accounting policies of Randolph County (the County) and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Randolph County Industrial Facility and Pollution Control Financing Authority (the *Financing Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Financing Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Randolph County Tourism Development Authority, which has a June 30 year-end, is presented as if it is a separate governmental fund of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Randolph County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued.
Randolph County Tourism Development Authority	Discrete	The Randolph County Tourism Development Authority was created to promote travel and tourism within the County. Its primary revenue is a room occupancy tax. The County is financially accountable for the Authority. The Authority is governed by a nine-member board, all of which are appointed by the Randolph County Board of Commissioners. Randolph County collects the occupancy tax for the Authority, and performs administrative functions. However, the County does not provide any direct financial support to the Authority.	Randolph County Tourism Development Authority 222 Sunset Avenue Suite 107 Asheboro, N.C. 27203

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. However, Randolph County currently does not operate any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Randleman Dam Capital Project Fund – This fund accounts for Randolph County's share of the construction of a water reservoir by the Piedmont Triad Regional Water Authority, a joint venture with five other local governments.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (continued)

The County reports the following fund types:

Pension Trust Fund. The County had one Pension Trust Fund the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Custodial Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Randolph County and Asheboro City Boards of Education; the Detention Center Commissary Fund, which accounts for monies held by the County as agent for inmates of the Detention Center; and the Municipal Tax Districts Fund and the School Tax Districts Fund, which account for ad valorem property taxes that are billed and collected by the County for the respective municipalities and special school districts within the County.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide and Fiduciary Fund Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Randolph County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2004 through February 2005 apply to the fiscal year ended June 30, 2005. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. For motor vehicles that are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2005 because they are intended to finance the County's operations during the 2005-06 fiscal year.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (concluded)

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental activities of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Emergency Telephone System, Fire Districts, and Landfill Closure Special Revenue Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the Randleman Dam Capital Project Fund, the Randolph County Courthouse Project Fund, the Asheboro City Schools Capital Project Fund, the Randolph County Schools Project Fund, the Seagrove Library Capital Project Fund, and the Technology Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is authorized to transfer appropriations within a department; however, all revisions that alter the total expenditures of any department must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

C. Budgetary Data (concluded)

During the year, several amendments to the original budget were necessary.

Encumbrance carryovers from prior year	\$ 3,621,111
Economic development incentives	417,006
Transfer to Technology Fund	547,500
Advance to Schools Capital Projects	390,132
Legal Settlement	527,529
Increase in Medicaid costs	300,000
Emergency Services grants	689,168
Social Services grants	557,041
Other grants	380,959
Other amendments	216,662
	<u>\$ 7,647,108</u>

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County and Randolph County Tourism Development Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the Tourism Development Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the Tourism Development Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the Tourism Development Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

2. Cash and Cash Equivalents

The County pools moneys from several funds, except the Pension Trust Funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Randolph County Tourism Development Authority considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended proceeds of installment purchase debt is classified as restricted assets within the general and capital project funds because their use is completely restricted to the purpose for which the debt was originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2004. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These costs are recorded as expenditures when consumed.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are \$5,000 for the following types of assets: land, buildings, land improvements, equipment, and vehicles. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Randolph County Board of Education and Randolph Community College properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education and the College give these organizations full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to them, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Randolph County Board of Education and the Randolph Community College, respectively.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

- Buildings - 40 years
- Improvements - 15 years
- Furniture and equipment – 10 years
- Computer equipment – 3 years
- Vehicles – 5 years

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

9. Compensated Absences

The vacation policies of the County and the Tourism Development Authority provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide funds and the Tourism Development Authority, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and the Tourism Development Authority provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component unit.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

10. Net Assets/Fund Balances

Net Assets

Net assets in government-wide fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Reserved for encumbrances - portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

Unreserved:

Designated for subsequent year expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2005-2006 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$(36,920,717) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 50,224,696
Less Accumulated Depreciation	<u>(14,473,902)</u>
Net Capital Assets	35,750,794
Water rights is an intangible asset reported in governmental activities, but is not a financial resource and is therefore not reported in the fund statements	16,350,456
Deferred charges related to advance refunding bond issued - included on government-wide statement of net assets but are not current financial resources	969,602
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	112,494
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide statements	3,955,936
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, capital leases, and installment financing	(89,263,159)
Accrued interest payable	(449,956)
Compensated absences	(1,502,511)
Net pension obligation	(376,318)
Medical claims incurred but not reported	(498,024)
Accrued landfill post-closure costs	<u>(1,970,031)</u>
Total Adjustment	<u>\$ (36,920,717)</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements (continued)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$5,675,366 as follows:

(continued on next page)

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements (continued)

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statement of net assets	\$ 7,911,787
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,731,626)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(6,230,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	6,359,130
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(414,270)
Amortization of refunding costs not recorded on fund statements	(112,043)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(111,349)
Increase in net pension obligation	(101,461)
Landfill post-closure costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources	16,777
Cost of capital assets disposed of during the year	(45,367)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	32,609
Reversal of deferred tax revenue recorded at 7/1/04	(1,583,565)
Recording of tax receipts deferred in the fund statements as of 6/30/05	1,552,769
Decrease in accrued interest on taxes receivable	(369)
Reversal of deferred service revenues recorded at 7/1/04	(2,270,823)
Recording of service fees deferred in the fund statements as of 6/30/05	2,403,167
Total adjustment	<u>\$ 5,675,366</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the Tourism Development Authority 's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Tourism Development Authority 's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the Tourism Development Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Tourism Development Authority or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Tourism Development Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the Authority do not have a policy regarding custodial credit risk for deposits.

At June 30, 2005, the County's deposits had a carrying amount of \$ 32,364,354 and a bank balance of \$ 33,075,907. Of the bank balance, \$ 419,085 was covered by federal depository insurance, and \$ 32,656,822 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2005, Randolph County had \$4,321 cash on hand.

At June 30, 2005, the carrying amount of deposits for Randolph County Tourism Development Authority was \$ 259,310 and the bank balance was \$ 259,310. All of the bank balance was covered by collateral held under the Pooling Method.

2. Investments

At June 30, 2005, the County's investments consisted of \$ 4,914,605 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

A. Assets (continued)

3. Receivables

Receivables at the government-wide level at June 30, 2005 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 4,721,984	\$ 2,003,603	\$ 8,215,451	\$ 14,941,038
Other Governmental	187,007	204,660	4,135	395,802
Total receivables	4,908,991	2,208,263	8,219,586	15,336,840
Allowance for doubtful accounts	(2,791,300)	(543,000)	-	(3,334,300)
Total-governmental activities	<u>\$ 2,117,691</u>	<u>\$ 1,665,263</u>	<u>\$ 8,219,586</u>	<u>\$ 12,002,540</u>

The County's accounts receivable are presented net of the allowance for uncollectible accounts of:

Ambulance Billings	\$ 2,692,500
Landfill tipping fees	10,600
Health service fees	<u>88,200</u>
Total allowance for uncollectible accounts	<u>\$ 2,791,300</u>

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 5,611,614
Social service grant reimbursements	1,227,118
Refund of sales and use tax	240,453
Cable franchise fee	217,819
Homeland Security grants	351,495
Other	<u>571,087</u>
Total due from other governments	<u>\$ 8,219,586</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

A. Assets (continued)

4. Notes Receivable

As permitted by G.S. 160A-20(1), the County has advanced funds to local governments to assist in the construction of water and sewer lines. Seagrove-Ulah Metropolitan Water District borrowed \$50,000 in 1995; this debt was forgiven in 2005. The Town of Ramseur was advanced a total of \$315,000, payable \$19,687 semi-annually over eight years. The note does not have any stated interest.

The note from Davidson Water, Inc. was a loan to construct water lines in the Glenola area of Randolph County. The funds were provided by a State Clean Drinking Water Revolving Loan to the County. The terms for Davidson Water are the same as the repayment terms for the state's loan to the County.

A summary of changes in notes receivable follows:

	Balance July 1, 2004	Advances	Adjustments and Collections	Balance June 30, 2005
Due from:				
Seagrove-Ulah				
Metropolitan Water District	\$ 50,000	\$ -	\$ 50,000	\$ -
Town of Ramseur	93,750		31,250	62,500
Town of Ramseur	24,375		8,125	16,250
Davidson Water, Inc.	731,374	-	43,022	688,352
	<u>\$ 899,499</u>	<u>\$ -</u>	<u>\$ 132,397</u>	<u>\$ 767,102</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

A. Assets (continued)

5. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,931,628	\$ 13,230		\$ 2,944,858
Construction in progress	9,135	830,360	9,135	830,360
Total capital assets not being depreciated	<u>2,940,763</u>	<u>843,590</u>	<u>9,135</u>	<u>3,775,218</u>
Capital assets being depreciated:				
Buildings	35,669,121	78,736		35,747,857
Other improvements	450,695			450,695
Equipment	4,198,267	1,008,089		5,206,356
Vehicles and motor equipment	4,498,605	778,859	232,894	5,044,570
Total capital assets being depreciated	<u>44,816,688</u>	<u>1,865,684</u>	<u>232,894</u>	<u>46,449,478</u>
Less accumulated depreciation for:				
Buildings	7,255,106	803,976		8,059,082
Other improvements	136,462	8,998		145,460
Equipment	2,550,847	364,073		2,914,920
Vehicles and motor equipment	2,987,388	554,579	187,527	3,354,440
Total accumulated depreciation	<u>12,929,803</u>	<u>\$ 1,731,626</u>	<u>\$ 187,527</u>	<u>14,473,902</u>
Total capital assets being depreciated, net	<u>31,886,885</u>			<u>31,975,576</u>
Governmental activity capital assets, net	<u>\$ 34,827,648</u>			<u>\$ 35,750,794</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 564,444
Public safety	1,068,036
Economic and physical development	10,631
Environmental protection	46,123
Human services	38,029
Cultural and recreational	4,363
Total depreciation expense	<u>\$ 1,731,626</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2005, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental Activities:				
General	\$ 1,761,465	\$ 226,920	\$ 449,956	\$ 2,438,341
Other Governmental	<u>133,831</u>	<u>-</u>	<u>-</u>	<u>133,831</u>
Total - governmental activities	<u>\$ 1,895,296</u>	<u>\$ 226,920</u>	<u>\$ 449,956</u>	<u>\$ 2,572,172</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Randolph County and the Randolph County Tourism Development Authority contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

a. Local Governmental Employees' Retirement System (concluded)

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the Randolph County Tourism Development Authority are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 4.64%, respectively, of annual covered payroll. For the Authority, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Randolph County and the Randolph County Tourism Development Authority are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2005, 2004, and 2003 were \$ 998,555, \$954,375, and \$894,885, respectively. The Authority's contributions to LGERS for the years ended June 30, 2005, 2004, and 2003 were \$2,311, \$3,749, and \$3,379, respectively. The contributions made by the County and the Tourism Development Authority equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

(1) Plan Description.

Randolph County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2004, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>144</u>
Total	<u>147</u>

(2) Summary of Significant Accounting Policies.

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

(3) Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making a fixed contribution, rather than one based on actuarial valuations. For the current year, the County contributed \$5,000, or .12% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2003 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 5.9% to 9.8% per year.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2003 was 27 years.

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	\$ 84,049	5.95%	\$ 184,140
2004	\$ 95,717	5.22%	\$ 274,857
2005	\$ 106,461	4.70%	\$ 376,318

(4) *Annual Pension Cost and Net Pension Obligation.*

The separation allowance annual pension cost (APC) consists of the annual required contribution (ARC), plus interest on the beginning of the year net pension obligation (NPO), minus an adjustment equal to the amortization of the beginning of the year NPO. The APC for the fiscal year ended June 30, 2005 was as follows:

Annual Required Contribution (ARC)	\$ 101,953
Interest on NPO	19,927
Adjustment to NPO	(15,419)
Annual Pension Cost (APC)	<u>\$ 106,461</u>

The Net Pension Obligation as of June 30, 2004 was as follows:

NPO, beginning of year	\$ 274,857
Annual Pension Cost (APC)	106,461
Actual Contribution	<u>5,000</u>
NPO, End of Year	<u>\$ 376,318</u>
Percentage of APC Contributed	<u>4.70%</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2005 were \$295,565, which consisted of \$243,449 from the County and \$52,116 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Randolph County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2005, the County's required and actual contributions were \$34,952.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

e. Other Post employment Benefits - Randolph County

According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the County. The County pays a sliding percentage of the cost for these benefits, depending on length of service. Retirees are responsible for the remaining cost of premiums. Currently 15 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2004, the County made payments for postretirement health benefit premiums of \$35,750. The County is self-insured for health care costs.

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2005, the County and the Tourism Development Authority made contributions to the State for death benefits of \$21,174 and \$43, respectively. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .09% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

3. Closure and Postclosure Care Costs - Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County closed its only landfill on December 31, 1997. Subsequent to that date, solid waste collections are transferred to a privately operated facility. In 2000, the County completed the closure requirements for the finished landfill.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs. Landfill Closure fund balance available at June 30, 2005 exceeded the accrued postclosure cost liability of \$1,970,031. The County expects that future inflation costs will be paid from the interest earnings on these designated funds. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Construction commitment

The County has one active construction project at year end, a new library to serve the Seagrove area. At June 30, 2005, the County's commitment with the contractor is as follows:

Total contract	\$ 693,135
Payments to date	<u>435,709</u>
Remaining commitment	<u>\$ 257,426</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

5. Deferred / Unearned Revenues

The balance in deferred revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 264,780
Prepaid taxes not yet earned (Special Revenue)		29,630
Deferred annuity on Drinking Water Loan (General)		120,053
Other collections (General)		52,168
Taxes receivable, net (General)	1,380,109	
Taxes receivable, net (Special Revenue)	172,660	
Ambulance service receivables, net (General)	1,395,185	
Health service receivables, net (General)	58,798	
Landfill tipping fees receivable, net (General)	179,886	
Dog license receivables (General)	2,196	
Notes receivable (General)	767,102	-
Total	<u>\$ 3,955,936</u>	<u>\$ 466,631</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

6. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$150 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health insurance for county employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 120% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$500,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

At June 30, 2005, the County had a balance of \$173,967 in a medical self-insurance account with its independent medical claims administrator; there is also a potential liability of \$498,024 for estimated self-insurance claims incurred but not reported.

Changes in aggregate liabilities for medical insurance during the past two years is as follows:

	Fiscal Year Ending <u>June 30, 2005</u>	Fiscal Year Ending <u>June 30, 2004</u>
Beginning of year claims liability	\$ 498,024	\$ 515,149
Claims incurred	3,801,850	2,613,750
Payments	<u>(3,801,850)</u>	<u>(2,630,875)</u>
End of year claims liability	<u>\$ 498,024</u>	<u>\$ 498,024</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

6. Risk Management (concluded)

The Randolph County Tourism Development Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is included under Randolph County's insurance for property, general liability, auto liability, workers' compensation, and employee health coverage.

7. Contingent Liabilities

At June 30, 2005, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

8. Long-Term Obligations

a. Capital Leases

The County has entered into an agreement to lease certain equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The agreement was executed on March 25, 2002 for the lease of telephone equipment and required an initial payment of \$24,192 at closing, \$20,360 in the first month, and 57 monthly payments of \$12,096 in the remaining years.

At June 30, 2005, the County leased equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Telephone equipment	<u>\$ 620,660</u>	<u>\$ 188,681</u>	<u>\$ 431,979</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (continued)

a. Capital Leases (concluded)

For Randolph County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005 were as follows:

<u>Year Ending June 30</u>	
2006	\$ 145,152
2007	<u>120,960</u>
Total minimum lease payments	266,112
Less: amount representing interest	<u>16,815</u>
Present value of the minimum lease payments	<u><u>\$ 249,297</u></u>

b. Note Payable – Revolving Loan

In 1999, the County received an \$860,440 State Clean Drinking Water Revolving Loan granted for the development of water lines to an area of the County. The funds were provided to Davidson Water, Inc., who will repay the County under the same repayment terms as those under the state loan. The agreement was executed on May 1, 2002 and requires twenty annual payments of \$43,022, plus interest at 2.550%. The debt service requirements of the loan as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
2006	\$ 43,022	\$ 17,553
2007	43,022	16,456
2008	43,022	15,359
2009	43,022	14,262
2010	43,022	13,165
2011-2015	215,110	49,368
2016-2020	215,110	21,941
2021-2025	<u>43,022</u>	<u>1,097</u>
Totals	<u><u>\$ 688,352</u></u>	<u><u>\$ 149,231</u></u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (continued)

c. Installment Purchases

The County executed an installment purchase agreement in December 1993 to finance the general government office building and the construction of the Detention Center. Biannual payments of \$371,933 are required, including interest of 5.39%.

In another agreement, as authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property acquisitions for use by Randolph County Board of Education during the fiscal year ended June 30, 1996, by installment purchase. The installment purchase was issued pursuant to a deed of trust, which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Randolph County Board of Education, which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option.

The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The installment purchase was executed on November 15, 1995, for various property improvements for use by Randolph County Board of Education and the Randolph County Mental Health Program. The transaction required principal payments by the County ranging from \$1,370,000 in 2003 to \$2,365,000 in 2015 and semi-annual interest payments at rates from 4.50% to 5.3%. This debt was included as part of the advance refunding conducted in December 2003. As of June 30, 2005, there is no remaining outstanding obligation under this agreement.

A third installment purchase was issued in April 2000 and is also authorized by G.S. 160A-20 and 153A-158.1. The County financed the acquisition, construction and renovation of facilities for the Asheboro City and Randolph County Boards of Education, the Randolph Community College, and the Randolph County Courthouse. The installment purchase was issued pursuant to a deed of trust which requires that legal title for certain Randolph County Board of Education and Randolph Community College property remain with the County as long as the debt is outstanding. The County has entered into leases with the Randolph County Board of Education and Randolph Community College, which transfer the rights and responsibilities for maintenance and insurance of the properties to them. The leases call for

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (continued)

c. Installment Purchases (continued)

nominal annual lease payments and also contain a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the Boards of Education and the RCC projects are recorded by those organizations.

The installment purchase required principal payments, which increased from \$925,000 in 2003 to \$3,235,000 through 2022. Semi-annual interest payments have rates ranging from 5.0% to 5.75%. This debt was included as part of the advance refunding conducted in March and May 2004. As of June 30, 2005, only \$7,705,000 remained as outstanding obligations under this agreement, to be retired over the next four years.

The 2003 installment purchase requires principal payments, which increase from \$195,000 in 2004 to \$2,510,000 through 2018. Semi-annual interest payments have rates ranging from 2.0% to 5.0%. The 2004 installment purchase requires principal payments, which increase from \$245,000 in 2005 to \$3,350,000 through 2015. Semi-annual interest payments have rates ranging from 2.0% to 5.0%. The 2004A installment purchase requires principal payments, which increase from \$135,000 in 2005 to \$3,410,000 through 2022. Semi-annual interest payments have rates ranging from 2.0% to 5.0%.

A seventh installment purchase was issued in January 2005 to finance the acquisition of additional water rights in the Randleman Lake, construction of a new library, and renovation to two other county office buildings. Biannual payments of \$330,000 are required, including interest of 3.59%.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (continued)

c. Installment Purchases (concluded)

The debt service requirements for installment purchases as of June 30, 2005, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2006	\$ 4,655,100	\$ 3,280,325
2007	4,441,206	3,126,202
2008	4,982,731	2,938,827
2009	5,344,854	2,722,804
2010	5,547,599	2,488,634
2011-2015	31,237,473	9,554,737
2016-2020	18,465,878	3,840,635
2021-2022	6,530,000	390,800
Totals	<u>\$ 81,204,841</u>	<u>\$ 28,342,964</u>

d. Advance Refundings

In a prior year, the County defeased certain certificates of participation by placing the proceeds of new debt in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the County's financial statements. On June 30, 2005, \$40,815,000 of outstanding certificates of participation are considered defeased.

In addition, during the year Randolph County restructured the securities held in escrow for debt retirement, resulting in a gain of \$ 439,321.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (continued)

e. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2005 are comprised of the following individual issue serviced by the County's General Fund:

\$23,465,000 1998 School Facility Refunding Bonds due on May 1 in installments from \$605,000 to \$2,370,000 through May 1, 2010, plus interest ranging from 4.20 to 5.00 percent. \$ 10,515,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2006	\$ 2,255,000	\$ 488,040
2007	2,210,000	391,075
2008	2,175,000	291,625
2009	2,140,000	193,750
2010	<u>1,735,000</u>	<u>86,750</u>
Total	<u>\$ 10,515,000</u>	<u>\$ 1,451,240</u>

At June 30, 2005, Randolph County had no bonds authorized but unissued and a legal debt margin of \$590,504,387.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

8. Long-Term Obligations (concluded)

f. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2005:

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005	Current Portion of Balance
Governmental activities:					
General obligation debt	\$ 12,805,000	\$ -	\$ 2,290,000	\$ 10,515,000	\$ 2,255,000
Installment purchase	78,877,655	6,230,000	3,902,814	81,204,841	4,655,100
Unamortized premium on debt	2,921,373		296,582	2,624,791	294,905
Deferred Charge on Refunding	(6,665,668)		(646,546)	(6,019,122)	(642,967)
Note Payable - State of NC	731,374		43,022	688,352	43,022
Capitalized leases	372,591		123,294	249,297	132,076
Compensated absences	1,391,162	1,382,921	1,271,572	1,502,511	1,271,572
Net pension obligation	274,857	101,461		376,318	-
Accrued medical claims	498,024			498,024	498,024
Accrued landfill postclosure costs	1,986,808	-	16,777	1,970,031	86,500
Total governmental activities	<u>\$ 93,193,176</u>	<u>\$ 7,714,382</u>	<u>\$ 7,297,515</u>	<u>\$ 93,610,043</u>	<u>\$ 8,593,232</u>

Compensated absences, the net pension obligation, and accrued medical claims typically have been liquidated in the General Fund.

g. Conduit Debt Obligations

Randolph County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2005, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$4.6 million.

II. Detail Notes on All Funds (continued)

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

C. Interfund Balances and Activity

1. Transfers to/from other funds

Transfers to/from other funds at June 30, 2005, consist of the following:

From the General Fund to the 1995 Capital Reserve - Mental Health and County Schools Facilities Fund to accumulate resources for the payment of obligations on the above leased properties	\$1,442,950
From the General Fund to Randleman Dam Capital Project Fund for reservoir construction	500,000
From the General Fund to the Asheboro City Schools Capital Project Fund to advance monies for school construction	78,602
From the General Fund to the Randolph County Schools Capital Project Fund to advance monies for school construction	311,529
From the General Fund to the Technology Capital Project to transfer appropriations for improvements to county technology	547,500
From the Courthouse Capital Project to the General Fund to transfer residual monies from the completed project	478,000
From the 1995 Capital Reserve - Mental Health and County Schools Facilities Fund to the General Fund to transfer resources for the payment of obligations on the above leased properties	<u>1,388,780</u>
Total	<u>\$4,747,361</u>

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

II. Detail Notes on All Funds (continued)

C. Interfund Balances and Activity

2. Interfund Receivables and Payables

The General Fund collects taxes for various entities; at year end, undistributed tax receipts are due from the General Fund to fiduciary funds. These interfund balances as of June 30, 2005 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Funds:		
Fire Districts Fund:	General Fund	\$ 83,933
Trust and Agency Funds:		
City of Asheboro Tax Fund	General Fund	\$ 101,656
City of Archdale Tax Fund	General Fund	27,177
Town of Franklinville Tax Fund	General Fund	2,716
Town of Liberty Tax Fund	General Fund	13,023
Town of Ramseur Tax Fund	General Fund	3,916
City of Randleman Tax Fund	General Fund	12,234
Town of Seagrove Tax Fund	General Fund	928
Town of Staley Tax Fund	General Fund	416
City of High Point Tax Fund	General Fund	499
City of Trinity Tax Fund	General Fund	3,629
Asheboro School District Tax Fund	General Fund	31,709
Archdale-Trinity School District Tax Fund	General Fund	25,063
		<u>\$ 222,966</u>

In addition, as of June 30, 2005 the General Fund had advanced monies to the Community Development Block Grant - 2003 Scattered Housing Fund, which was reimbursed from the grant shortly after year end.

\$ 76,196

Total \$ 383,095

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

III. Related Organization

The Seagrove-Ulah Metropolitan Water District of Randolph County was established in 1989 to provide local water and sewer services. Its primary revenues are customer fees for these services. Three of the four members of the District's governing board are appointed by Randolph County; however, the County's responsibility for this organization does not extend beyond making these appointments. The County is not responsible for any debt issued by the District, nor is it required to fund any operating deficits. During 2005, the County waived repayment of a \$50,000 outstanding loan from the Water District.

The Randolph County Health Development Authority, Inc., is a non-stock corporation established in 1982. The Authority's board of directors is appointed by the County Board of Commissioners; however, the County provides no funding to the Authority, guarantees no debt of the Authority, and does not maintain a significant continuing relationship with the Authority board.

IV. Jointly Governed Organization

The County, in conjunction with six other counties and thirty-four municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$ 37,296 to the Council during the fiscal year ended June 30, 2005. The County was the subrecipient of grants for \$ 716,543 from the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the Division of Aging of the North Carolina Department of Human Resources, which was passed through the Council.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

V. Joint Ventures

The County, in conjunction with the State of North Carolina, the Asheboro City Board of Education, and the Randolph County Board of Education, participates in a joint venture to operate the Randolph County Community College. The County and the State appoint four members of the thirteen-member board of trustees of the community college. The Boards of Education each appoint two members. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. As of June 30, 2005, the County has no outstanding general obligation bond debt for this purpose. The County has a \$3,114,239 debt outstanding for an installment purchase obligation to construct a training facility at the community college. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,936,786 and \$433,333 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2005. In addition, the County made debt service payments of \$221,577 during the fiscal year on installment purchase obligations issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2005. Complete financial statements for the community college may be obtained from the community college's administrative offices at 629 Industrial Park Avenue, Asheboro, NC 27203.

The County, in conjunction with five other governments, participates in the Piedmont Triad Regional Water Authority. The Authority was established to construct a dam facility, water treatment plant and related distribution lines. The Authority began construction of the dam in 2001, and the participating governments are legally obligated under the intergovernmental agreement that created the Authority to contribute a pre-determined share of the construction costs. During the year ended June 30, 2005, the County exercised options to purchase an additional three million gallons per day of raw water from two other member governments. The County's share of support is 18.75%. According to the joint governmental agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to water in the reservoir. After a water treatment plant is constructed, the participating governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure to be set by the Authority. Accordingly, a \$16,350,456 intangible asset has been recorded at cost in the government-wide financial statements at June 30, 2005. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 2216 West Meadowview Road, Greensboro, NC 27407.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2005

VI. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Women, infants and children	\$ 2,333,673	\$ -
Medicaid	70,399,944	33,812,741
Food stamp program	10,540,967	
Temporary assistance for needy families	1,862,644	
Energy assistance	157,585	
Adoption assistance	258,482	76,268
Adult assistance		1,010,751
Title IV-E, foster care	172,962	33,998
Total	<u>\$ 85,726,257</u>	<u>\$ 34,933,758</u>

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.



Required Supplemental Financial Data

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance

Randolph County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/95	-	167,650	167,650	0.00%	1,588,781	10.55%
12/31/96	-	176,329	176,329	0.00%	1,703,693	10.35%
12/31/97	181,859	232,624	50,765	78.18%	2,254,919	2.25%
12/31/98	186,108	275,565	89,457	67.54%	2,524,873	3.54%
12/31/99	207,437	308,915	101,478	67.15%	2,807,872	3.61%
12/31/00	221,416	589,798	368,382	37.54%	3,060,200	12.04%
12/31/01	237,664	684,921	447,257	34.70%	3,487,660	12.82%
12/31/02	244,283	741,252	496,969	49.15%	4,052,114	12.26%
12/31/03	251,090	826,784	575,694	30.37%	4,313,650	13.35%
12/31/04	239,981	986,598	746,617	24.32%	4,546,681	16.42%

Randolph County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
1997	\$ 29,392	37.15%
1998	\$ 31,106	35.30%
1999	\$ 25,499	0.00%
2000	\$ 32,667	45.92%
2001	\$ 36,615	13.66%
2002	\$ 71,081	7.03%
2003	\$ 82,075	6.09%
2004	\$ 92,469	5.41%
2005	\$ 101,953	4.90%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/03
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed
Remaining amortization period	27 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	From 5.9% to 9.8%
*Includes inflation at	3.75%
Cost of living adjustments	None





Major Governmental Funds Budgetary Comparison Schedules

General Fund

The General Fund is the general operating fund of Randolph County. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Capital Project Fund

The Randleman Dam Capital Project Fund accounts for Randolph County's share of the construction of a water reservoir by the Piedmont Triad Regional Water Authority, a joint venture with five other local governments.



Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes		\$ 42,352,816	
Penalties and interest		240,725	
Total	\$ 41,563,077	42,593,541	\$ 1,030,464
Local option sales taxes:			
Article 39 one percent		7,885,859	
Article 40 one - half of one percent		4,879,429	
Article 42 one - half of one percent		4,853,111	
Article 44 one - half of one percent		3,877,730	
Total	20,007,279	21,496,129	1,488,850
Other taxes and licenses:			
Animal tax		69,311	
Deed stamp excise tax		414,791	
Scrap tire disposal tax		131,198	
White goods disposal tax		52,504	
Occupancy tax		345,227	
Gross receipts tax		27,663	
Total	558,600	1,040,694	482,094
Unrestricted intergovernmental:			
Payments in lieu of taxes-outside sources		13,308	
Gas tax refunds		59,711	
Total	54,900	73,019	18,119
Restricted intergovernmental:			
Federal and State grants			
Public safety services		1,489,417	
Health services		1,331,541	
Social services		9,706,550	
Juvenile justice services		19,305	
Aging services		859,180	
Library services		345,124	
Public School Building Capital Funds		1,279,077	
All other		143,566	
Court facility fees		251,814	
Controlled substance tax		58,324	
Treasury Department forfeitures		135,534	
ABC bottles taxes		12,562	
Total	13,970,104	15,631,994	1,661,890

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Revenues (concluded):			
Permits and fees:			
Franchise fees		\$ 217,819	
Inspection and zoning fees		714,956	
Register of deeds fees		758,350	
Environmental health fees		314,116	
Total	\$ 2,267,250	2,005,241	\$ (262,009)
Sales and services:			
Tax department fees		223,204	
Officer and jail fees		118,489	
School resource officer reimbursements		521,024	
Ambulance and rescue squad fees		2,055,754	
Solid waste fees		2,747,462	
Health department fees		885,760	
Library fees		132,942	
All other		1,009,180	
Total	7,033,785	7,693,815	660,030
Investment earnings	817,786	887,341	69,555
Miscellaneous:			
Sale of materials		20,762	
Legal settlement		500,000	
Gain from Escrow Restructuring		439,321	
Other		458,150	
Total	1,491,341	1,418,233	(73,108)
Total revenues	87,764,122	92,840,007	5,075,885
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits		56,061	
Other operating expenditures		74,307	
Total	137,209	130,368	6,841
Administration:			
Salaries and employee benefits		1,029,703	
Other operating expenditures		321,176	
Insurance and bonds		1,096,094	
Capital outlay		8,942	
Total	2,573,715	2,455,915	117,800

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		
	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (concluded):			
Computer Services:			
Salaries and employee benefits		\$ 611,041	
Other operating expenditures		147,581	
Capital outlay		264,706	
Total	\$ 1,341,439	1,023,328	\$ 318,111
Tax:			
Salaries and employee benefits		1,344,834	
Other operating expenditures		357,300	
Capital outlay		19,078	
Total	1,736,114	1,721,212	14,902
Elections:			
Salaries and employee benefits		145,142	
Other operating expenditures		200,435	
Total	508,874	345,577	163,297
Register of deeds:			
Salaries and employee benefits		378,727	
Other operating expenditures		112,287	
Capital outlay		127,900	
Total	761,466	618,914	142,552
Public buildings:			
Salaries and employee benefits		398,477	
Utilities and telephone		834,989	
Other operating expenditures		574,684	
Capital outlay		139,509	
Total	2,840,505	1,947,659	892,846
Total general government	9,899,322	8,242,973	1,656,349
Public safety:			
Sheriff:			
Salaries and employee benefits		6,037,071	
Other operating expenditures		710,045	
Capital outlay		355,741	
Total		7,102,857	

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Jail:			
Salaries and employee benefits		\$ 2,626,331	
Other operating expenditures		844,913	
Capital outlay		64,939	
Total		3,536,183	
Total Sheriff and Jail	\$ 10,952,214	10,639,040	\$ 313,174
Emergency medical services:			
Salaries and employee benefits		2,070,718	
Other operating expenditures		328,977	
Capital outlay		243,000	
Total		2,642,695	
Emergency communications:			
Salaries and employee benefits		810,633	
Other operating expenditures		25,913	
Total		836,546	
Emergency management:			
Salaries and employee benefits		63,600	
Other operating expenditures		168,086	
Capital outlay		492,420	
Total		724,106	
Fire Inspections:			
Salaries and employee benefits		203,647	
Other operating expenditures		40,128	
Capital outlay		58,083	
Total		301,858	
Total Emergency Services	4,614,196	4,505,205	108,991
Building inspections:			
Salaries and employee benefits		597,430	
Other operating expenditures		66,618	
Capital outlay		12,376	
Total	689,501	676,424	13,077

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Public Safety (concluded):			
Adult and juvenile day reporting:			
Salaries and employee benefits		\$ 608,617	
Other operating expenditures		192,901	
Capital outlay		29,823	
Total	\$ 847,750	831,341	\$ 16,409
Other public safety appropriations:			
Medical examiner		51,450	
Juvenile detention services		44,909	
Jury commission		1,090	
Contributions to:			
U.S. Forest Service		89,028	
Ashe-Rand Rescue Squad		14,225	
Piedmont Triad Ambulance Service		950	
N.C. National Guard		950	
Total	225,805	202,602	23,203
Total public safety	17,329,466	16,854,612	474,854
Economic and physical development:			
Planning and zoning:			
Salaries and employee benefits		414,189	
Other operating expenditures		51,099	
Total	485,096	465,288	19,808
Cooperative Extension Service:			
Salaries and employee benefits		299,939	
Other operating expenditures		68,397	
Total	402,485	368,336	34,149
Soil and Water Conservation:			
Salaries and employee benefits		74,139	
Other operating expenditures		9,442	
Total	173,361	83,581	89,780

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Economic and physical development (concluded):			
Other economic and physical development appropriations:			
Contributions to:			
Randolph Economic Development Corporation		\$ 202,500	
Piedmont Triad Partnership		13,213	
Yadkin - Pee Dee Lakes Project		3,300	
Research Conservation and Development		500	
Cape Fear River Assembly		1,000	
Economic development incentives:			
City of Trinity - Water Mains		51,006	
Energizer Battery Manufacturing, Inc.		-	
Rheem Manufacturing		-	
Seagrove-Ulah Metropolitan Water District		50,000	
Technimark		-	
Thomas Built Bus		125,000	
Times Fiber		-	
Town of Ramseur - Tower Components		-	
Town of Seagrove		-	
Distributions of occupancy tax to:			
Randolph Tourism Development Authority		334,871	
Total	\$ 2,254,519	781,390	\$ 1,473,129
Total economic and physical development	3,315,461	1,698,595	1,616,866
Environmental protection:			
Administrative and engineering:			
Salaries and employee benefits		105,913	
Other operating expenditures		22,907	
Total		128,820	
Solid waste transfer station:			
Salaries and employee benefits		71,949	
Transfer station operations		2,373,155	
Other operating expenditures		190,482	
Total		2,635,586	
Recycling and other operations:			
Salaries and employee benefits		23,200	
Other recycling costs		47,909	
Other operating expenditures		176,668	
Total		247,777	
Total environmental protection	3,415,438	3,012,183	403,255

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Human services:			
Health:			
Public health services:			
Salaries and employee benefits		\$ 2,007,315	
Other operating expenditures		451,402	
Capital outlay		33,755	
Total		2,492,472	
Animal control:			
Salaries and employee benefits		237,223	
Other operating expenditures		34,379	
Total		271,602	
Environmental health:			
Salaries and employee benefits		821,295	
Other operating expenditures		92,793	
Total		914,088	
Women, infants, and children			
Salaries and employee benefits		397,607	
Other operating expenditures		47,778	
Total		445,385	
Total health	\$ 4,480,596	4,123,547	\$ 357,049
Social services:			
Administration:			
Salaries and employee benefits		5,507,888	
Other operating expenditures		1,205,780	
Capital outlay		269,219	
Total		6,982,887	
Assistance programs:			
Child day care		4,668,209	
Foster care		779,616	
Workfirst		560,804	
Total		6,008,629	
Medical assistance program (Medicaid):			
County share of assistance payments		5,922,686	
Special assistance to adults:			
County share of assistance payments		1,010,751	
Total social services	20,316,346	19,924,953	391,393

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Human services (concluded):			
Other human service appropriations:			
Contributions to other agencies:			
Family Crisis Center		\$ 38,800	
Regional Consolidated Services		2,000	
Randolph County Senior Adults Assn.		176,058	
Randolph Hospital		66,666	
Sandhills Center		965,876	
Pass-through grants to other agencies:			
Home and Community Care Block Grant		716,543	
Rural Operating Assistance Program		142,637	
Juvenile Justice programs		19,305	
Total other human service appropriations	\$ 1,985,316	2,127,885	\$ (142,569)
Total human services	26,782,258	26,176,385	605,873
Culture and recreation:			
Library			
Salaries and employee benefits		1,147,759	
Other operating expenditures		407,001	
Total	1,566,216	1,554,760	11,456
Other culture and recreation appropriations:			
Randolph Arts Guild		13,275	
N.C. Pottery Center		23,700	
Total	36,975	36,975	-
Total culture and recreation	1,603,191	1,591,735	11,456

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Education:			
Contributions to other agencies:			
Public schools:			
Current Expense:			
Asheboro City Schools		\$ 3,331,558	
Randolph County Schools		13,393,130	
Randolph Community College		1,936,786	
Capital Outlay:			
Asheboro City Schools		758,291	
Randolph County Schools		2,283,339	
Randolph Community College		433,333	
Total Education	\$ 22,196,129	22,136,437	\$ 59,692
Debt service:			
Principal retirement		6,359,130	
Interest and other charges		3,878,559	
Debt issuance costs		14,515	
Escrow restructuring costs		51,350	
Total debt service	10,462,799	10,303,554	159,245
Total expenditures	95,004,064	90,016,474	4,987,590
Revenues over (under) expenditures	(7,239,942)	2,823,533	10,063,475

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Other financing sources (uses):			
Installment Purchase Debt Issued	235,743	235,743	
Transfers from other funds:			
From 1995 Capital Reserve - Mental Health and			
County School Facilities Fund	2,488,780	1,388,780	
From Randolph County Courthouse Capital Project	478,000	478,000	
Transfers to other funds:			
Special Revenue Funds:			
To 1995 Capital Reserve - Mental Health and County			
School Facilities Fund	(1,442,950)	(1,442,950)	
Capital Projects Funds:			
To Randleman Dam Project	(500,000)	(500,000)	
To Asheboro City Schools Project	(78,602)	(78,602)	
To Randolph County Schools Project	(311,530)	(311,529)	
To Technology Capital Project	(547,500)	(547,500)	
Total other financing sources (uses)	321,941	(778,058)	(1,099,999)
Revenues and other financing sources over			
(under) expenditures and other financing uses	(6,918,001)	2,045,475	8,963,476
Fund balances:			
Beginning of year, July 1	35,224,283	35,224,283	-
End of year, June 30	\$ 28,306,282	\$ 37,269,758	\$ 8,963,476

Randolph County, North Carolina
Randleman Dam Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 2,118,437	\$ 2,139,963	\$ 487	\$ 2,140,450	\$ 22,013
Sale of Water Rights to Archdale	1,749,000		1,748,086	1,748,086	(914)
	<u>3,867,437</u>	<u>2,139,963</u>	<u>1,748,573</u>	<u>3,888,536</u>	<u>21,099</u>
Expenditures					
Capital outlay:					
Project management fees	219,148	219,148		219,148	-
Purchase of land	1,125,000	1,125,000		1,125,000	-
Dam construction	16,756,051	9,762,051	6,992,343	16,754,394	1,657
Total expenditures	<u>18,100,199</u>	<u>11,106,199</u>	<u>6,992,343</u>	<u>18,098,542</u>	<u>1,657</u>
Revenues under expenditures	<u>(14,232,762)</u>	<u>(8,966,236)</u>	<u>(5,243,770)</u>	<u>(14,210,006)</u>	<u>22,756</u>
Other financing sources:					
Installment Purchase Debt Issued	5,245,000		5,244,257	5,244,257	(743)
Transfers from General Fund	8,987,762	8,987,762	500,000	9,487,762	500,000
	<u>14,232,762</u>	<u>8,987,762</u>	<u>5,744,257</u>	<u>14,732,019</u>	<u>499,257</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 21,526</u>	<u>500,487</u>	<u>\$ 522,013</u>	<u>\$ 522,013</u>
Fund balances:					
Beginning of year, July 1			<u>21,526</u>		
End of year, June 30			<u>\$ 522,013</u>		





Non-Major Governmental Funds

Budgetary Comparison Schedules

Special Revenue Funds:

Fire District Fund - accounts for voter-approved property taxes levied to provide fire protection for nineteen districts.

Emergency Telephone System Fund - established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.

Landfill Closure Fund - accounts for the costs associated with closure and postclosure of the County's landfill, which closed in December 1997.

Library Trust Fund - accounts for contributions from bequests specifically restricted for the public library.

Community Development Block Grant - 2003 Scattered Housing Grant Fund - accounts for the \$400,000 CDBG grant to assist in rehabilitating area housing. No financial activity occurred during the year.

1995 Capital Reserve - Mental Health and County School Facilities Fund - accounts for funds required to be accumulated to pay the debt service on the installment financing contract for the mental health and county school facilities.

Capital Project Funds:

Randolph County Courthouse Capital Project Fund - accounts for the renovation and construction of the courthouse facility, financed primarily through an installment purchase.

Asheboro City Schools Capital Project Fund - accounts for the renovation of property to expand Teachey Elementary School, to be financed through an installment purchase contract.

Randolph County Schools Capital Project Fund - accounts for the acquisition of property and construction of two county high schools, to be financed through an installment purchase contract.

Seagrove Library Capital Project Fund - accounts for the construction of a new library facility in Seagrove, financed through an installment purchase contract.

Technology Capital Project Fund - accounts for the implementation costs to upgrade county technology services, financed by transfers from the General Fund.

Randolph County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue Funds					
	Fire Districts Fund	Emergency Telephone System Fund	Landfill Closure Fund	Library Trust Fund	Community Development Block Grant - 2003 Scattered Housing	1995 Capital Reserve - Mental Health and County School Facilities
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,758,956	\$ 2,053,051	\$ 90,477	\$ -	\$ 355,453
Accounts receivable, net		86,390	16,441	725	76,196	2,846
Taxes receivable, net	172,660					
Due from other governments						
Due from other funds	83,933	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	8,500	-
Total assets	<u>\$ 256,593</u>	<u>\$ 1,845,346</u>	<u>\$ 2,069,492</u>	<u>\$ 91,202</u>	<u>\$ 84,696</u>	<u>\$ 358,299</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 85	\$ -	\$ -	\$ 8,500	\$ -
Due to other funds					\$ 76,196	
Deferred revenue	29,631					
Unearned revenue	172,660	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	<u>202,291</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>84,696</u>	<u>-</u>
Fund balances:						
Reserved by state statute	83,933	86,390	16,441		76,196	2,846
Reserved for encumbrances						
Unreserved:						
Designated for subsequent years						
Undesignated	(29,631)	1,758,871	2,053,051	91,202	(76,196)	355,453
Total fund balances	<u>54,302</u>	<u>1,845,261</u>	<u>2,069,492</u>	<u>91,202</u>	<u>-</u>	<u>358,299</u>
Total liabilities and fund balances	<u>\$ 256,593</u>	<u>\$ 1,845,346</u>	<u>\$ 2,069,492</u>	<u>\$ 91,202</u>	<u>\$ 84,696</u>	<u>\$ 358,299</u>

Capital Projects Funds							
Total Nonmajor Special Revenue Funds	Randolph County Courthouse Capital Project Fund	Asheboro City Schools Capital Project	Randolph County Schools Capital Project	Seagrove Library Capital Project	Technology Capital Project Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 4,257,937	\$ -	\$ -	\$ -	\$ -	\$ 528,676	\$ 528,676	\$ 4,786,613
182,598					4,234	4,234	186,832
172,660						-	172,660
-				4,135		4,135	4,135
83,933	-	-	-	-	-	-	83,933
8,500	-	-	-	404,949	-	404,949	413,449
<u>\$ 4,705,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,084</u>	<u>\$ 532,910</u>	<u>\$ 941,994</u>	<u>\$ 5,647,622</u>
\$ 8,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,585
76,196						-	76,196
29,631						-	29,631
172,660	-	-	-	-	-	-	172,660
-	-	-	-	125,247	-	125,247	125,247
<u>287,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,247</u>	<u>-</u>	<u>125,247</u>	<u>412,319</u>
265,806				4,135		4,135	269,941
-						-	-
-						-	-
<u>4,152,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,702</u>	<u>532,910</u>	<u>812,612</u>	<u>4,965,362</u>
<u>4,418,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,837</u>	<u>532,910</u>	<u>816,747</u>	<u>5,235,303</u>
<u>\$ 4,705,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,084</u>	<u>\$ 532,910</u>	<u>\$ 941,994</u>	<u>\$ 5,647,622</u>

Randolph County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue Funds					
	Fire Districts Fund	Emergency Telephone System Fund	Landfill Closure Fund	Library Trust Fund	Community Development Block Grant - 2003 Scattered Housing	1995 Capital Reserve - Mental Health and County School Facilities
REVENUES						
Ad valorem taxes	\$ 4,928,066	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses		686,610				
Restricted Intergovernmental					317,017	
Investment earnings	-	39,645	46,257	2,022	-	21,218
Total revenues	<u>4,928,066</u>	<u>726,255</u>	<u>46,257</u>	<u>2,022</u>	<u>317,017</u>	<u>21,218</u>
EXPENDITURES						
Current:						
Public safety	4,919,066	726,274				
Economic and Physical Development					317,017	
Environmental protection			57,296			
Culture and recreation						
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>4,919,066</u>	<u>726,274</u>	<u>57,296</u>	<u>-</u>	<u>317,017</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>9,000</u>	<u>(19)</u>	<u>(11,039)</u>	<u>2,022</u>	<u>-</u>	<u>21,218</u>
OTHER FINANCING SOURCES (USES)						
Installment Purchase Debt Issued						
Transfers from other funds						1,442,950
Transfers to other funds	-	-	-	-	-	(1,388,780)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,170</u>
Net change in fund balances	9,000	(19)	(11,039)	2,022	-	75,388
Fund balances - beginning	<u>45,302</u>	<u>1,845,280</u>	<u>2,080,531</u>	<u>89,180</u>	<u>-</u>	<u>282,911</u>
Fund balances - ending	<u>\$ 54,302</u>	<u>\$ 1,845,261</u>	<u>\$ 2,069,492</u>	<u>\$ 91,202</u>	<u>\$ -</u>	<u>\$ 358,299</u>

Capital Projects Funds							
Total Nonmajor Special Revenue Funds	Randolph County Courthouse Capital Project Fund	Asheboro City Schools Capital Project	Randolph County Schools Capital Project	Seagrove Library Capital Project	Technology Capital Project Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 4,928,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,928,066
686,610						-	686,610
317,017							317,017
109,142	2,829	-	-	6,868	9,719	19,416	128,558
6,040,835	2,829	-	-	6,868	9,719	19,416	6,060,251
5,645,340						-	5,645,340
317,017						-	317,017
57,296						-	57,296
-						-	-
-	8,487	78,602	311,529	473,031	24,309	895,958	895,958
6,019,653	8,487	78,602	311,529	473,031	24,309	895,958	6,915,611
21,182	(5,658)	(78,602)	(311,529)	(466,163)	(14,590)	(876,542)	(855,360)
-				750,000		750,000	750,000
1,442,950		78,602	311,529		547,500	937,631	2,380,581
(1,388,780)	(478,000)	-	-	-	-	(478,000)	(1,866,780)
54,170	(478,000)	78,602	311,529	750,000	547,500	1,209,631	1,263,801
75,352	(483,658)	-	-	283,837	532,910	333,089	408,441
4,343,204	483,658	-	-	-	-	483,658	4,826,862
\$ 4,418,556	\$ -	\$ -	\$ -	\$ 283,837	\$ 532,910	\$ 816,747	\$ 5,235,303

Randolph County, North Carolina
Fire Districts Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year		\$ 4,899,737	
Prior year		28,329	
Total revenues	<u>\$ 5,000,417</u>	<u>4,928,066</u>	<u>\$ (72,351)</u>
Expenditures:			
Current:			
Public safety:			
Fire Districts:			
Bennett		23,351	
Climax		341,655	
Coleridge		137,284	
Eastside		277,048	
Fairgrove		182,615	
Farmer		114,377	
Franklinville		256,764	
Guil-Rand		1,695,053	
Julian		73,733	
Level Cross		201,614	
Northeast		77,897	
Randleman		195,080	
Seagrove		145,016	
Sophia		98,432	
Southwest		53,416	
Staley		133,813	
Tabernacle		165,858	
Ulah		260,304	
Westside		485,756	
Total expenditures	<u>5,000,417</u>	<u>4,919,066</u>	<u>81,351</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>9,000</u>	<u>\$ 9,000</u>
Fund balances:			
Beginning of year, July 1		<u>45,302</u>	
End of year, June 30		<u>\$ 54,302</u>	

Randolph County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Other Taxes and Licenses			
911 System Subscriber Fees	\$ 529,020	\$ 486,723	\$ (42,297)
Wireless 911 Funds	163,919	199,887	35,968
Investment Earnings	13,005	39,645	26,640
Total Revenues	<u>705,944</u>	<u>726,255</u>	<u>20,311</u>
Expenditures:			
Public Safety:			
911 System Subscriber Fees:			
911 Services	379,611	365,308	14,303
Information Management	229,857	182,351	47,506
Capital Outlay	58,137	32,675	25,462
Total Subscriber Fees	<u>667,605</u>	<u>580,334</u>	<u>87,271</u>
Wireless 911 Funds:			
911 Services	93,489	70,989	22,500
Information Management	84,399	56,926	27,473
Capital Outlay	18,462	18,025	437
Total Wireless 911	<u>196,350</u>	<u>145,940</u>	<u>50,410</u>
Total Expenditures	<u>863,955</u>	<u>726,274</u>	<u>137,681</u>
Revenues over (under) expenditures	<u>\$ (158,011)</u>	(19)	<u>\$ 157,992</u>
Fund Balance:			
Beginning of Year, July 1		<u>1,845,280</u>	
End of Year, June 30		<u>\$ 1,845,261</u>	

Randolph County, North Carolina
Landfill Closure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	<u>\$ 23,000</u>	<u>\$ 46,257</u>	<u>\$ 23,257</u>
Expenditures:			
Current:			
Environmental protection:			
Post-closure costs	<u>86,500</u>	<u>57,296</u>	<u>29,204</u>
Revenues over (under) expenditures	<u>\$ (63,500)</u>	<u>(11,039)</u>	<u>\$ 52,461</u>
Fund balances:			
Beginning of year, July 1		<u>2,080,531</u>	
End of year, June 30		<u>\$ 2,069,492</u>	

Randolph County, North Carolina
Community Development Block Grant - 2003 Scattered Housing
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Community Development Block Grant	\$ 400,000	\$ -	\$ 317,017	\$ 317,017	\$ (82,983)
Investment earnings	-			-	-
Total revenues	400,000	-	317,017	317,017	(82,983)
Expenditures					
Clearance	-			-	-
Relocation Assistance	-			-	-
Rehabilitation Assistance	311,456		255,181	255,181	56,275
Lead-Based Paint	47,344		41,844	41,844	5,500
Planning/House Work Write-ups	1,200			-	1,200
Administration	40,000		19,992	19,992	20,008
Total expenditures	400,000	-	317,017	317,017	82,983
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

Randolph County, North Carolina
1995 Capital Reserve - Mental Health and County School Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment Earnings	\$ -	\$ 1,097,440	\$ 21,218	\$ 1,118,658	\$ 1,118,658
Other financing sources (uses):					
Transfers in:					
General Fund	30,301,950	12,885,150	1,442,950	14,328,100	(15,973,850)
Transfers out:					
General Fund	(30,301,950)	(13,699,679)	(1,388,780)	(15,088,459)	15,213,491
Total other financing sources (uses)	-	(814,529)	54,170	(760,359)	(760,359)
Revenues and other financing sources over uses	\$ -	\$ 282,911	75,388	\$ 358,299	\$ 358,299
Fund balance:					
Beginning of year, July 1			282,911		
End of Year, June 30			\$ 358,299		

Randolph County, North Carolina
Randolph County Courthouse Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 1,338,456	\$ 1,335,269	\$ 2,829	\$ 1,338,098	\$ (358)
Total revenues	1,338,456	1,335,269	2,829	1,338,098	(358)
Expenditures					
Capital outlay:					
Project construction	14,328,191	14,319,414	8,487	14,327,901	290
Professional fees	1,315,650	1,315,587		1,315,587	63
Administrative costs	992,386	992,371		992,371	15
Less sales tax reimbursements	(258,600)	(258,592)		(258,592)	(8)
Total expenditures	16,377,627	16,368,780	8,487	16,377,267	360
Revenues over (under) expenditures	(15,039,171)	(15,033,511)	(5,658)	(15,039,169)	2
Other financing sources:					
Transfers from General Fund	4,692,841	4,692,841		4,692,841	-
Transfers to General Fund	(478,000)		(478,000)	(478,000)	-
Installment purchase debt issued	10,824,330	10,824,328		10,824,328	(2)
Total other financing sources	15,039,171	15,517,169	(478,000)	15,039,169	(2)
Revenues and other sources (under) over expenditures	\$ -	\$ 483,658	(483,658)	\$ -	\$ -
Fund balances:					
Beginning of year, July 1			483,658		
End of year, June 30			\$ -		

Randolph County, North Carolina
Asheboro City Schools Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -		\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Education:					
Professional services	260,000		63,202	63,202	196,798
Other Services	290,000		15,400	15,400	274,600
Miscellaneous	30,000			-	30,000
General Construction	3,620,000			-	3,620,000
Total expenditures	4,200,000	-	78,602	78,602	4,121,398
Revenues over (under) expenditures	(4,200,000)	-	(78,602)	(78,602)	4,121,398
Other financing sources:					
Installment Purchase Debt Issued	4,200,000			-	(4,200,000)
Transfer from General Fund	78,602		78,602	78,602	-
Transfer to General Fund	(78,602)	-		-	78,602
	4,200,000	-	78,602	78,602	(4,121,398)
Revenues and other sources over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

Randolph County, North Carolina
Randolph County Schools Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 5,000	\$ -	\$ -	\$ -	\$ (5,000)
Total revenues	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Expenditures					
Education:					
Administrative	283,015			-	283,015
Professional Fees	1,261,575		311,529	311,529	950,046
Land Acquisition	572,000			-	572,000
Site Development Costs	228,000			-	228,000
Construction	23,947,000			-	23,947,000
Furniture and Equipment	1,000,000			-	1,000,000
Contingency	718,410			-	718,410
Less sales tax reimbursements	(5,000)			-	(5,000)
Total expenditures	<u>28,005,000</u>	<u>-</u>	<u>311,529</u>	<u>311,529</u>	<u>27,693,471</u>
Revenues over (under) expenditures	<u>(28,000,000)</u>	<u>-</u>	<u>(311,529)</u>	<u>(311,529)</u>	<u>27,688,471</u>
Other financing sources:					
Installment Purchase Debt Issued	28,000,000			-	(28,000,000)
Transfer from General Fund	311,530		311,529	311,529	(1)
Transfer to General Fund	<u>(311,530)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,530</u>
	<u>28,000,000</u>	<u>-</u>	<u>311,529</u>	<u>311,529</u>	<u>(27,688,471)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

Randolph County, North Carolina
Seagrove Library Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 1,000	\$ -	\$ 6,868	\$ 6,868	\$ 5,868
Total revenues	1,000	-	6,868	6,868	5,868
Expenditures					
Capital outlay:					
Project construction	653,600		407,822	407,822	245,778
Professional fees	40,000		38,000	38,000	2,000
Site development	42,500		31,343	31,343	11,157
Furnishings	14,900		-	-	14,900
Less sales tax reimbursements			(4,134)	(4,134)	4,134
Total expenditures	751,000	-	473,031	473,031	277,969
Revenues over (under) expenditures	(750,000)	-	(466,163)	(466,163)	283,837
Other financing sources:					
Installment purchase debt issued	750,000		750,000	750,000	-
Total other financing sources	750,000	-	750,000	750,000	-
Revenues and other sources (under) over expenditures	\$ -	\$ -	283,837	\$ 283,837	\$ 283,837
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			\$ 283,837		

Randolph County, North Carolina
Technology Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -	\$ 9,719	\$ 9,719	\$ 9,719
Total revenues	-	-	9,719	9,719	9,719
Expenditures					
Capital Outlay:					
2005 Work Plan	547,500		24,309	24,309	523,191
Total expenditures	547,500	-	24,309	24,309	523,191
Revenues over (under) expenditures	(547,500)	-	(14,590)	(14,590)	532,910
Other financing sources:					
Transfer from General Fund	547,500	-	547,500	547,500	-
	547,500	-	547,500	547,500	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	532,910	\$ 532,910	\$ 532,910
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			\$ 532,910		





Agency Funds

Agency Funds account for transactions related to assets held by the County as trustee or agent for other governments, individuals, private organizations or other funds.

AGENCY FUNDS

Social Services Custodial Fund - accounts for monies held by the Department of Social Services as agent for the benefit of certain individuals in the County.

Fines and Forfeitures - accounts for fines and forfeitures collected by the County that are required to be remitted to the Asheboro City and Randolph County Boards of Education.

Detention Center Commissary Fund - accounts for monies held by the County as agent for inmates of the County jail.

City of Trinity Tax Fund, City of Asheboro Tax Fund, City of Randleman Tax Fund, Town of Liberty Tax Fund, Town of Seagrove Tax Fund, Town of Staley Tax Fund, City of Archdale Tax Fund, Town of Ramseur Tax Fund, City of High Point Tax Fund, Town of Franklinville Tax Fund and City of Thomasville Tax Fund - accounts for the collection and disbursement of taxes levied by the Cities and Towns.

Asheboro School District Tax Fund and Archdale-Trinity School District Tax Fund - accounts for voter-approved supplemental property taxes levied to provide additional school needs.



Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>Social Services Custodial Fund</u>				
ASSETS				
Cash and Investments	\$ 108,273	\$ 563,069	\$ 581,030	\$ 90,312
LIABILITIES				
Miscellaneous Liabilities	\$ 108,273	\$ 563,069	\$ 581,030	\$ 90,312
<u>Fines and Forfeitures</u>				
ASSETS				
Cash and Investments	\$ -	\$ 1,502,595	\$ 1,502,595	\$ -
LIABILITIES				
Intergovernmental Payables	\$ -	\$ 1,502,595	\$ 1,502,595	\$ -
<u>Detention Center Commissary Fund</u>				
ASSETS				
Cash and Investments	\$ 2,840	\$ 191,670	\$ 174,678	\$ 19,832
Accounts Receivable	8,774	1,610	231	10,153
Total Assets	\$ 11,614	\$ 193,280	\$ 174,909	\$ 29,985
LIABILITIES				
Miscellaneous Liabilities	\$ 11,614	\$ 193,280	\$ 174,909	\$ 29,985
<u>City of Asheboro Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 433,572	\$ 10,043,277	\$ 10,102,594	\$ 374,255
Due from General Fund	88,499	101,656	88,499	101,656
Total Assets	\$ 522,071	\$ 10,144,933	\$ 10,191,093	\$ 475,911
LIABILITIES				
Intergovernmental Payables	\$ 522,071	\$ 10,144,933	\$ 10,191,093	\$ 475,911

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>City of Archdale Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 54,532	\$ 2,117,200	\$ 2,110,871	\$ 60,861
Due from General Fund	18,575	27,177	18,575	27,177
Total Assets	<u>\$ 73,107</u>	<u>\$ 2,144,377</u>	<u>\$ 2,129,446</u>	<u>\$ 88,038</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 73,107</u>	<u>\$ 2,144,377</u>	<u>\$ 2,129,446</u>	<u>\$ 88,038</u>
<u>Town of Franklinville Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 20,813	\$ 130,060	\$ 132,219	\$ 18,654
Due from General Fund	2,629	2,716	2,629	2,716
Total Assets	<u>\$ 23,442</u>	<u>\$ 132,776</u>	<u>\$ 134,848</u>	<u>\$ 21,370</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 23,442</u>	<u>\$ 132,776</u>	<u>\$ 134,848</u>	<u>\$ 21,370</u>
<u>Town of Liberty Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 41,713	\$ 844,837	\$ 847,009	\$ 39,541
Due from General Fund	18,224	13,023	18,224	13,023
Total Assets	<u>\$ 59,937</u>	<u>\$ 857,860</u>	<u>\$ 865,233</u>	<u>\$ 52,564</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 59,937</u>	<u>\$ 857,860</u>	<u>\$ 865,233</u>	<u>\$ 52,564</u>
<u>Town of Ramseur Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 13,161	\$ 46,039	\$ 44,234	\$ 14,966
Due from General Fund	3,708	3,916	3,708	3,916
Total Assets	<u>\$ 16,869</u>	<u>\$ 49,955</u>	<u>\$ 47,942</u>	<u>\$ 18,882</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 16,869</u>	<u>\$ 49,955</u>	<u>\$ 47,942</u>	<u>\$ 18,882</u>

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>City of Randleman Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 38,968	\$ 1,400,503	\$ 1,398,260	\$ 41,211
Due from General Fund	11,239	12,234	11,239	12,234
Total Assets	<u>\$ 50,207</u>	<u>\$ 1,412,737</u>	<u>\$ 1,409,499</u>	<u>\$ 53,445</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 50,207</u>	<u>\$ 1,412,737</u>	<u>\$ 1,409,499</u>	<u>\$ 53,445</u>
<u>Town of Seagrove Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 3,393	\$ 93,361	\$ 93,360	\$ 3,394
Due from General Fund	931	928	931	928
Total Assets	<u>\$ 4,324</u>	<u>\$ 94,289</u>	<u>\$ 94,291</u>	<u>\$ 4,322</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 4,324</u>	<u>\$ 94,289</u>	<u>\$ 94,291</u>	<u>\$ 4,322</u>
<u>Town of Staley Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 1,289	\$ 24,108	\$ 24,057	\$ 1,340
Due from General Fund	363	416	363	416
Total Assets	<u>\$ 1,652</u>	<u>\$ 24,524</u>	<u>\$ 24,420</u>	<u>\$ 1,756</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 1,652</u>	<u>\$ 24,524</u>	<u>\$ 24,420</u>	<u>\$ 1,756</u>
<u>City of High Point Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 3,464	\$ 11,639	\$ 11,297	\$ 3,806
Due from General Fund	251	499	251	499
Total Assets	<u>\$ 3,715</u>	<u>\$ 12,138</u>	<u>\$ 11,548</u>	<u>\$ 4,305</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 3,715</u>	<u>\$ 12,138</u>	<u>\$ 11,548</u>	<u>\$ 4,305</u>

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>City of Thomasville Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 147	\$ 1,899	\$ 1,622	\$ 424
Due from General Fund	-			-
Total Assets	<u>\$ 147</u>	<u>\$ 1,899</u>	<u>\$ 1,622</u>	<u>\$ 424</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 147</u>	<u>\$ 1,899</u>	<u>\$ 1,622</u>	<u>\$ 424</u>
<u>City of Trinity Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 7,309	\$ 223,603	\$ 222,997	\$ 7,915
Due from General Fund	2,798	3,629	2,798	3,629
Total Assets	<u>\$ 10,107</u>	<u>\$ 227,232</u>	<u>\$ 225,795</u>	<u>\$ 11,544</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 10,107</u>	<u>\$ 227,232</u>	<u>\$ 225,795</u>	<u>\$ 11,544</u>
<u>Asheboro School District Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 121,438	\$ 2,699,750	\$ 2,718,304	\$ 102,884
Due from General Fund	30,194	2,349,378	2,347,863	31,709
Total Assets	<u>\$ 151,632</u>	<u>\$ 5,049,128</u>	<u>\$ 5,066,167</u>	<u>\$ 134,593</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 151,632</u>	<u>\$ 5,049,128</u>	<u>\$ 5,066,167</u>	<u>\$ 134,593</u>
<u>Archdale-Trinity School District Tax Fund</u>				
ASSETS				
Taxes Receivable	\$ 54,657	\$ 1,648,733	\$ 1,644,405	\$ 58,985
Due from General Fund	18,779	1,418,778	1,412,494	25,063
Total Assets	<u>\$ 73,436</u>	<u>\$ 3,067,511</u>	<u>\$ 3,056,899</u>	<u>\$ 84,048</u>
LIABILITIES				
Intergovernmental Payables	<u>\$ 73,436</u>	<u>\$ 3,067,511</u>	<u>\$ 3,056,899</u>	<u>\$ 84,048</u>

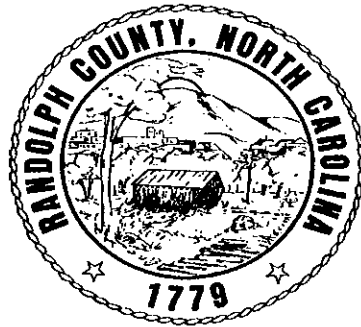
Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Totals - All Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 111,113	\$ 2,257,334	\$ 2,258,303	\$ 110,144
Accounts Receivable	8,774	1,610	231	10,153
Taxes Receivable	794,456	19,285,009	19,351,229	728,236
Due from General Fund	<u>196,190</u>	<u>3,934,350</u>	<u>3,907,574</u>	<u>222,966</u>
Total Assets	<u><u>\$ 1,110,533</u></u>	<u><u>\$ 25,478,303</u></u>	<u><u>\$ 25,517,337</u></u>	<u><u>\$ 1,071,499</u></u>
LIABILITIES				
Miscellaneous Liabilities	\$ 119,887	\$ 756,349	\$ 755,939	\$ 120,297
Intergovernmental Payables	<u>990,646</u>	<u>24,721,954</u>	<u>24,761,398</u>	<u>951,202</u>
Total Liabilities	<u><u>\$ 1,110,533</u></u>	<u><u>\$ 25,478,303</u></u>	<u><u>\$ 25,517,337</u></u>	<u><u>\$ 1,071,499</u></u>





Capital Assets Used in the Operation of Governmental Funds



Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2005

	<u>2005</u>	<u>2004</u>
Governmental Funds Capital Assets:		
Land	\$ 2,944,858	\$ 2,931,628
Buildings	35,747,857	35,669,121
Improvements	450,695	450,695
Equipment	5,206,356	4,198,267
Vehicles	5,044,570	4,498,605
Construction in Progress	<u>830,360</u>	<u>9,135</u>
Total Governmental Funds Capital Assets	<u><u>\$ 50,224,696</u></u>	<u><u>\$ 47,757,451</u></u>
Investment in Governmental Funds Capital Assets By Source:		
General Fund	\$ 24,674,962	\$ 22,788,365
Special Revenue Funds	939,598	888,899
Capital Project Funds	24,525,641	24,028,301
Donations	<u>84,495</u>	<u>51,886</u>
	<u><u>\$ 50,224,696</u></u>	<u><u>\$ 47,757,451</u></u>

Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function And Activity
June 30, 2005

	<u>Land</u>	<u>Buildings</u>	<u>Land Improvements</u>
<u>Function and Activity</u>			
General Government			
Administration	\$ -	\$ -	\$ -
Computer Services			
Tax			
Elections			
Register of Deeds			
Public Buildings	<u>1,963,427</u>	<u>23,754,631</u>	<u>289,043</u>
	<u>1,963,427</u>	<u>23,754,631</u>	<u>289,043</u>
Public Safety			
Sheriff and Jail		8,587,482	
Emergency Services	43,000	402,619	
Inspections			
Day Reporting Center	<u>-</u>	<u>87,053</u>	<u>-</u>
	<u>43,000</u>	<u>9,077,154</u>	<u>-</u>
Economic and Physical Development			
Planning and Zoning			
Cooperative Extension			
Soil and Water Conservation	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Environmental Protection			
Public Works	<u>843,835</u>	<u>983,934</u>	<u>161,652</u>
Human Services			
Public Health			
Social Services		1,109,438	
Mental Health	<u>81,366</u>	<u>822,700</u>	<u>-</u>
	<u>81,366</u>	<u>1,932,138</u>	<u>-</u>
Cultural and Recreational			
Public Library	<u>13,230</u>	<u>-</u>	<u>-</u>
Total Governmental Funds Capital Assets	<u>\$ 2,944,858</u>	<u>\$ 35,747,857</u>	<u>\$ 450,695</u>

<u>Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 107,183	\$ -	\$ -	\$ 107,183
824,190		217,820	1,042,010
118,184	88,998		207,182
318,410			318,410
251,760			251,760
740,588	154,739	139,509	27,041,937
<u>2,360,315</u>	<u>243,737</u>	<u>357,329</u>	<u>28,968,482</u>
1,101,214	2,853,508		12,542,204
1,101,802	1,246,696		2,794,117
8,215	164,243		172,458
6,100	159,927	-	253,080
<u>2,217,331</u>	<u>4,424,374</u>	<u>-</u>	<u>15,761,859</u>
	66,673		66,673
10,000	21,183		31,183
-	-	-	-
<u>10,000</u>	<u>87,856</u>	<u>-</u>	<u>97,856</u>
85,048	32,447	-	2,106,916
87,260	124,878		212,138
105,113	72,073		1,286,624
-	-	-	904,066
<u>192,373</u>	<u>196,951</u>	<u>-</u>	<u>2,402,828</u>
341,289	59,205	473,031	886,755
<u>\$ 5,206,356</u>	<u>\$ 5,044,570</u>	<u>\$ 830,360</u>	<u>\$ 50,224,696</u>

Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule Of Changes By Function And Activity
For the Fiscal Year Ended June 30, 2005

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>Governmental Funds Capital Assets June 30, 2005</u>
General Government:					
Administration	\$ 107,183	\$ -	\$ -	\$ -	\$ 107,183
Computer Services	456,287	585,723			1,042,010
Tax	202,931	19,078	14,827		207,182
Elections	318,410	-			318,410
Register of Deeds	123,860	127,900			251,760
Public Buildings	26,895,782	139,509	25,213	31,859	27,041,937
Total General Government	28,104,453	872,210	40,040	31,859	28,968,482
Public Safety:					
Sheriff and Jail	12,271,676	430,760	160,232		12,542,204
Emergency Services	1,959,808	834,309			2,794,117
Inspections	191,941	12,376		(31,859)	172,458
Day Reporting Center	243,123	29,823	19,866	-	253,080
Total Public Safety	14,666,548	1,307,268	180,098	(31,859)	15,761,859
Economic and Physical Development					
Planning and Zoning	66,673				66,673
Cooperative Extension	31,183				31,183
Soil and Water Conservation	12,756	-	12,756	-	-
Total Economic and Physical Development	110,612	-	12,756	-	97,856
Environmental Protection					
Public Works	2,106,916	-	-	-	2,106,916
Human Services					
Public Health	194,938	17,200			212,138
Social Services	1,269,424	17,200			1,286,624
Mental Health	904,066	-	-	-	904,066
Total Human Services	2,368,428	34,400	-	-	2,402,828
Culture and Recreation					
Public Library	400,494	486,261	-	-	886,755
Total Governmental Funds Capital Assets	\$ 47,757,451	\$ 2,700,139	\$ 232,894	\$ -	\$ 50,224,696



Other Supplemental Information

The other supplemental schedules highlight various details of specific financial statement data for ad valorem property taxes and interfund transfers.

Randolph County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2005

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2004</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2005</u>
2004-2005	\$ -	\$ 42,769,290	\$ 41,942,834	\$ 826,456
2003-2004	873,488		339,251	534,237
2002-2003	557,858		485,846	72,012
2001-2002	61,255		12,096	49,159
2000-2001	54,068		5,860	48,208
1999-2000	37,285		4,081	33,204
1998-1999	27,790		1,740	26,050
1997-1998	20,708		1,582	19,126
1996-1997	26,534		1,350	25,184
1995-1996	18,711		897	17,814
1994-1995	18,000	-	18,000	-
	<u>\$ 1,695,697</u>	<u>\$ 42,769,290</u>	<u>\$ 42,813,537</u>	<u>1,651,450</u>

Plus: uncollected 2005-2006 ad valorem taxes receivable
on annually registered vehicles 239,659

Less: allowance for uncollectible accounts:
General Fund (511,000)

Ad valorem taxes receivable - net:
General Fund \$ 1,380,109

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 42,593,541
Reconciling items:	
Interest collected	(240,725)
Discounts allowed	411,476
Releases and adjustments	31,372
Taxes written off	<u>17,873</u>
Total reconciling items	<u>219,996</u>
Total collections and credits	<u>\$ 42,813,537</u>

Randolph County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2005

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 7,976,503,302	\$0.5000	\$ 39,882,517	\$ 36,294,533	\$ 3,587,984
Motor vehicles taxed at prior year's rate	353,134,496	0.5000	1,765,672		1,765,672
Penalties	-		71,672	71,672	-
Total	<u>8,329,637,798</u>		<u>41,719,861</u>	<u>36,366,205</u>	<u>5,353,656</u>
Discoveries:					
Current year taxes	<u>272,504,144</u>	0.5000	<u>1,362,521</u>	<u>1,362,521</u>	<u>-</u>
Abatements	<u>(62,618,478)</u>		<u>(313,092)</u>	<u>(201,819)</u>	<u>(111,273)</u>
Total property valuation	<u>\$ 8,539,523,464</u>				
Net levy			42,769,290	37,526,907	5,242,383
Uncollected taxes at June 30, 2005			<u>826,456</u>	<u>270,512</u>	<u>555,944</u>
Current year's taxes collected			<u>\$ 41,942,834</u>	<u>\$ 37,256,395</u>	<u>\$ 4,686,439</u>
Current levy collection percentage			<u>98.07%</u>	<u>99.28%</u>	<u>89.40%</u>

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 6,507,926,668
Personal Property	1,809,806,963
Public Service Companies ²	<u>221,789,833</u>
Total Assessed Valuation	<u>\$ 8,539,523,464</u>
Tax Rate per \$100	0.50
Levy (includes discoveries, releases and abatements) ³	\$ 42,769,290

¹ Percentage of appraised value has been established by statute.

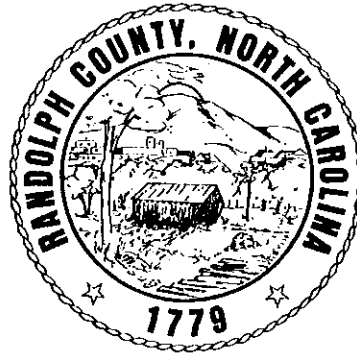
² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

Randolph County, North Carolina
Schedule of Current Tax Levy -
Special Districts
For the Fiscal Year Ended June 30, 2005

In addition to the County-wide rate, this table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year.

	<u>Net Valuation</u>	<u>Net Levy</u>
School Districts:		
Asheboro School District	\$ 1,888,356,874	\$ 2,615,374
Archdale-Trinity School District	1,920,847,336	1,624,217
	<u>3,809,204,210</u>	<u>4,239,591</u>
Fire Protection Districts:		
Fairgrove Fire District	285,072,708	185,297
Guil-Rand Fire District	1,716,176,890	1,716,177
Climax Fire District	371,059,495	345,085
Julian Fire District	74,311,990	74,312
Westside Fire District	547,498,041	491,505
Eastside Fire District	407,207,883	282,386
Level Cross Fire District	203,245,360	203,245
Ulah Fire District	431,715,361	263,346
Seagrove Fire District	157,867,722	153,132
Staley Fire District	134,287,470	134,287
Randleman Fire District	197,603,230	197,603
Tabernacle Fire District	192,414,494	167,401
Northeast Fire District	115,603,632	78,610
Sophia Fire District	100,847,030	100,847
Coleridge Fire District	190,462,370	139,038
Franklinville Fire District	396,785,492	257,911
Bennett Fire District	33,570,171	23,499
Farmer Fire District	154,046,747	115,535
Southwest Fire District	53,825,660	53,826
	<u>5,763,601,746</u>	<u>4,983,042</u>
Total Special District Levies	<u>\$ 9,572,805,956</u>	<u>\$ 9,222,633</u>



STATISTICAL SECTION

RANDOLPH COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Human Services (2)</u>	<u>Education</u>
1996	\$ 5,209,087	\$ 10,171,097	\$ 23,482,290	\$ 12,355,777
1997	5,217,379	11,859,997	24,012,978	14,887,143
1998	5,777,616	12,626,881	24,762,485	19,551,802
1999	6,056,375	13,461,325	26,517,526	27,684,406
2000	5,972,063	14,957,694	29,133,182	24,405,463
2001	6,278,193	16,679,057	30,666,528	19,062,956
2002	6,961,527	18,774,245	33,016,934	20,687,692
2003	6,679,256	18,882,874	35,429,982	19,824,457
2004	7,126,811	21,081,820	24,081,856	20,283,133
2005	8,242,973	22,499,952	26,176,385	22,136,437

(1) Funds included are General Fund, Special Revenue Funds and Capital Project Funds.

(2) Randolph Mental Health was included in the General Fund until the program merged with Sandhills Center on July 1, 2003.

Table 1

Environmental Protection	Economic and Physical Development	Culture and Recreation	Capital Projects	Debt Service	Total
\$ 1,858,303	\$ 867,741	\$ 915,282	\$ 15,763,947	\$ 5,825,468	\$ 76,448,992
1,965,195	1,023,296	1,134,083	16,731,885	7,358,158	84,190,114
3,640,658	1,303,467	1,139,378	5,808,559	7,474,720	82,085,566
4,955,703	1,651,276	1,104,350	401,306	6,927,085	88,759,352
4,349,467	1,035,893	1,286,249	9,488,196	6,956,511	97,584,718
4,204,426	978,764	1,243,834	37,924,719	10,044,981	127,083,458
3,872,264	1,008,942	1,261,763	15,446,980	10,342,270	111,372,617
3,283,220	1,266,241	1,346,402	5,989,915	10,226,880	102,929,227
3,340,969	1,610,055	1,476,961	3,280,895	14,042,698	96,325,198
3,069,479	2,015,612	1,591,735	7,888,301	10,303,554	103,924,428

RANDOLPH COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>Ad Valorem Taxes</u>	<u>Local Option Sales Tax</u>	<u>Other Taxes and Licenses</u>	<u>Unrestricted Inter- governmental Revenues</u>
1996	\$ 25,643,150	\$ 12,294,555	\$ 250,026	\$ 2,887,232
1997	27,458,990	13,289,104	261,147	3,329,298
1998	28,594,970	13,589,999	256,844	2,853,115
1999	29,577,259	14,663,236	723,337	2,827,879
2000	33,253,074	15,714,637	868,763	2,861,517
2001	35,024,916	15,937,993	867,016	3,529,266
2002	43,675,898	15,643,612	1,000,335	2,147,923
2003	44,503,261	17,391,010	1,587,084	66,719
2004	46,632,517	20,348,995	1,707,592	87,224
2005	47,521,607	21,496,129	1,727,304	73,019

(1) Funds included are General Fund, Special Revenue Funds and Capital Project Funds.

Table 2

Restricted Inter- governmental Revenues	Permits and Fees	Sales Services and Rents	Investment Earnings	Miscellaneous Revenues	Total
\$ 13,908,723	\$ 974,797	\$ 7,581,821	\$ 2,371,350	\$ 125,053	\$ 66,036,707
14,777,078	1,059,501	7,798,862	2,610,294	245,460	70,829,734
21,880,912	1,552,987	9,548,740	2,171,341	505,399	80,954,307
27,859,042	1,782,562	9,587,565	2,089,944	470,399	89,581,223
26,382,250	1,751,072	9,891,683	3,128,361	773,048	94,624,405
19,584,574	1,865,269	10,785,511	4,882,170	934,386	93,411,101
20,811,354	2,033,485	11,804,864	1,730,701	888,979	99,737,151
18,713,949	1,953,543	12,557,172	952,505	470,159	98,195,402
13,035,789	2,047,976	7,473,195	600,433	494,873	92,428,594
15,949,011	2,005,241	7,693,815	1,016,386	3,166,319	100,648,831

RANDOLPH COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Property Tax	Sales Tax	Intangible Tax (2)(3)	Payment in Lieu of Taxes (2)	Food Stamp Tax (2)(3)
1996	\$ 25,643,150	\$ 12,294,555	\$ 935,416	\$ 6,605	\$ 29,763
1997	27,458,990	13,289,104	927,976	7,275	29,449
1998	28,594,970	13,589,999	927,745	6,774	29,831
1999	29,577,259	14,663,236	925,269	6,774	28,518
2000	33,253,074	15,714,637	920,896	6,997	28,396
2001	35,024,916	15,937,993	941,852	7,368	28,486
2002	43,675,898	15,643,612	941,936	21,645	28,420
2003	44,503,261	17,391,010	-	12,706	-
2004	46,632,517	20,348,995	-	13,021	-
2005	47,521,607	21,496,129	-	13,308	-

(1) Funds included are General Fund and Special Revenue Funds.

(2) Amounts shown are included in Unrestricted Intergovernmental Revenues or Miscellaneous Revenues in Table 2.

(3) State of North Carolina reimbursements for these taxes ceased in fiscal year 2002-03.

(4) Fiscal year 1998 was the first year of tax revenue source.

(5) Amounts shown are included in other taxes and licenses in Table 2.

Table 3

Inventories Tax (2)(3)	Room Occupancy Tax (4)	Scrap Tire Disposal Tax (5)	White Goods Disposal Tax (5) (6)	Gross Receipts Tax on Leased Motor Vehicles	Total
\$ 1,736,020		\$ 93,857	\$ 90,464		\$ 40,829,830
1,724,768		99,572	94,745		43,631,879
1,725,874	105,364	101,926	89,554		45,172,037
1,707,874	260,950	108,646	54,519		47,333,045
1,716,842	292,529	112,806			52,046,177
1,633,067	287,994	120,600		24,814	54,007,090
814,225	270,273	149,348	63,537	26,784	61,635,678
-	289,123	121,306	49,281	28,268	62,394,955
-	298,545	127,023	49,836	28,969	67,498,906
-	345,227	131,198	52,504	27,663	69,587,636

RANDOLPH COUNTY, NORTH CAROLINA
ANALYSIS OF GENERAL FUND EQUITY
LAST TEN FISCAL YEARS
(UNAUDITED)

General Fund Equity	2005	2004	2003	2002
Fund Balances:				
Reserved:				
For Inventories	\$ -	\$ -	\$ -	\$ 9,418
For Investment for Resale	-	-	-	4,540
For Encumbrances	3,390,100	3,621,111	2,842,760	1,368,861
By State Statute	8,775,010	8,035,392	7,007,584	6,364,590
Unreserved:				
(Available for Appropriation):				
Designated for:				
Public Works				
Mental Health Programs		-	1,097,898	2,144,464
Detention Facility Construction				
Subsequent Year's Expenditures	3,272,713	3,003,526	998,000	3,564,689
Undesignated	21,831,935	20,564,254	18,544,163	16,926,127
Total General Fund Equity	<u>\$ 37,269,758</u>	<u>\$ 35,224,283</u>	<u>\$ 30,490,405</u>	<u>\$ 30,382,689</u>

Source: Annual audited financial statements of this entity.

Table 4

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 12,332	\$ 16,736	\$ 5,658	\$ 4,747	\$ 890	\$ 2,128
4,540	4,540	4,540	4,336	3,849	3,849
615,107	839,611	854,817	4,155,845	2,385,988	3,385,645
6,491,822	6,101,399	5,724,170	5,464,860	5,092,043	4,666,010
	243,550	151,347	731,741	735,569	1,082,809
1,834,483	682,264	1,140,664	1,609,905	1,268,950	1,637,194
795,793	1,588,762	901,557	1,554,095	1,218,548	1,559,932
<u>18,426,598</u>	<u>17,569,755</u>	<u>14,076,820</u>	<u>11,915,424</u>	<u>12,070,180</u>	<u>9,951,490</u>
<u>\$ 28,180,675</u>	<u>\$ 27,046,617</u>	<u>\$ 22,859,573</u>	<u>\$ 25,440,953</u>	<u>\$ 22,776,017</u>	<u>\$ 22,289,057</u>

RANDOLPH COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage Current Tax Collected</u>	<u>Collections Prior Year Taxes</u>
1995	\$ 21,393,071	\$ 20,693,152	96.73%	\$ 560,545
1996	22,665,732	22,054,223	97.30%	634,569
1997	24,362,674	23,735,938	97.43%	562,095
1998	25,664,441	24,946,814	97.20%	402,838
1999	26,382,094	25,686,686	97.36%	468,177
2000	30,226,296	29,319,447	97.00%	378,104
2001	31,570,635	30,693,955	97.22%	592,017
2002	39,302,404	38,397,923	97.70%	471,132
2003	40,079,649	39,222,703	97.86%	398,672
2004	42,114,342	41,240,854	97.93%	390,630
2005	42,769,290	41,942,834	98.07%	409,982

(1) County Tax Levy Only.

Table 5

<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (Net)</u>	<u>Ratio of Total Delinquent Taxes to Total Tax Levy</u>
\$ 21,253,697	99.35%	\$ 1,639,949	7.67%
22,688,792	100.10%	1,740,745	7.68%
24,298,033	99.73%	1,484,524	6.09%
25,349,652	98.77%	1,486,538	5.79%
26,154,863	99.14%	1,439,513	5.46%
29,697,551	98.25%	1,669,011	5.52%
31,285,972	99.10%	1,623,020	5.14%
38,869,055	98.90%	1,632,782	4.15%
39,621,375	98.86%	1,615,549	4.03%
41,631,484	98.85%	1,695,697	4.03%
42,352,816	99.03%	1,651,450	3.86%

RANDOLPH COUNTY, NORTH CAROLINA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$ 3,351,402,214	\$ 3,723,780,238	\$ 1,343,365,450	\$ 1,343,365,450
1997	3,436,977,217	4,023,150,201	1,612,176,429	1,612,176,429
1998	3,538,775,854	4,390,540,762	1,796,367,434	1,796,367,434
1999	3,666,652,595	4,864,224,721	1,819,572,351	1,819,572,351
2000	3,809,276,238	5,326,914,051	1,933,420,797	1,933,420,797
2001	3,954,119,117	6,187,011,605	2,040,579,794	2,040,579,794
2002 (2)	5,930,433,298	6,114,479,119	2,005,627,125	2,005,627,125
2003	6,287,748,531	6,903,544,720	1,814,078,499	1,814,078,499
2004	6,410,897,906	7,203,256,074	1,788,317,724	1,788,317,724
2005	6,507,926,668	7,395,371,214	1,809,806,963	1,809,806,963

(1) As required by NC General Statute, real property is reappraised at 100% of fair market value every eight years. Personal property is appraised each year and assessed at 100% of appraised value. Public Service Companies' assessed valuation is adjusted according to the sales ratio of real property.

(2) Increase is due to revaluation of property.

Table 6

Public Service Companies		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 163,031,246	\$ 181,145,829	\$ 4,857,798,910	\$ 5,248,291,517	92.56%
171,903,877	201,221,909	5,221,057,523	5,836,548,539	89.45%
152,829,523	189,614,793	5,487,972,811	6,376,522,989	86.07%
164,884,731	218,738,035	5,651,109,677	6,902,535,107	81.87%
169,893,967	237,580,712	5,912,591,002	7,497,915,560	78.86%
145,944,147	228,358,859	6,140,643,058	8,455,950,258	72.62%
213,387,177	220,009,462	8,149,447,600	8,340,115,706	97.71%
221,213,919	242,878,699	8,323,040,949	8,960,501,918	92.89%
225,908,336	253,829,591	8,425,123,966	9,245,403,389	91.13%
221,789,833	252,033,901	8,539,523,464	9,457,212,078	90.30%

RANDOLPH COUNTY, NORTH CAROLINA
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING ENTITIES
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Randolph County	0.50	0.50	0.48	0.48	0.5125
City of Archdale	0.26	0.23	0.23	0.23	0.24
City of Asheboro	0.55	0.50	0.50	0.45	0.52
Town of Franklinville	0.40	0.40	0.40	0.40	0.40
Town of Liberty	0.5125	0.48	0.48	0.48	0.50
Town of Ramseur	0.46	0.46	0.46	0.46	0.50
City of Randleman	0.51	0.48	0.48	0.40	0.46
Town of Seagrove	0.40	0.40	0.40	0.40	0.42
Town of Staley	0.13	0.125	0.125	0.125	0.125
City of Trinity	0.05	0.05	0.05	0.05	0.05
School Districts:					
Asheboro School District	0.1385	0.1385	0.1385	0.1385	0.145
Archdale/Trinity School District	0.085	0.075	0.075	0.075	0.085
Fire Protection Districts:					
Fairgrove	0.065	0.065	0.065	0.065	0.075
Guil-Rand	0.100	0.100	0.10	0.10	0.10
Climax	0.093	0.093	0.093	0.093	0.10
Julian	0.100	0.100	0.095	0.095	0.10
Westside	0.090	0.085	0.082	0.082	0.085
Eastside	0.070	0.055	0.055	0.055	0.06
Level Cross	0.100	0.100	0.09	0.09	0.09
Ulah	0.061	0.061	0.061	0.061	0.065
Seagrove	0.097	0.097	0.097	0.097	0.10
Staley	0.100	0.100	0.096	0.096	0.10
Randleman	0.100	0.100	0.10	0.10	0.10
Tabernacle	0.087	0.087	0.087	0.087	0.09
Northeast	0.068	0.068	0.068	0.068	0.07
Sophia	0.100	0.100	0.096	0.096	0.10
Coleridge-Erect	0.073	0.073	0.073	0.073	0.08
Franklinville	0.065	0.065	0.07	0.077	0.08
Farmer	0.075	0.075	0.075	0.075	0.08
Bennett	0.070	0.070	0.07	0.07	0.08
Southwest	0.100	0.100	0.092	0.092	0.10

Table 7

Fiscal Year Ended June 30				
2000	1999	1998	1997	1996
0.5125	0.465	0.465	0.465	0.465
0.24	0.24	0.24	0.24	0.24
0.52	0.52	0.52	0.52	0.52
0.30	0.30	0.38	0.38	0.38
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
0.46	0.46	0.38	0.38	0.38
0.42	0.42	0.42	0.40	0.40
0.125	0.125	0.125	0.125	0.125
0.05	0.05			
0.145	0.145	0.145	0.145	0.145
0.085	0.085	0.085	0.085	0.085
0.075	0.075	0.04	0.04	0.04
0.10	0.10	0.10	0.10	0.10
0.10	0.10	0.10	0.10	0.10
0.10	0.10	0.10	0.10	0.10
0.085	0.085	0.085	0.085	0.085
0.06	0.06	0.06	0.06	0.06
0.09	0.09	0.09	0.09	0.09
0.065	0.065	0.065	0.065	0.065
0.10	0.10	0.10	0.10	0.10
0.10	0.10	0.10	0.10	0.10
0.10	0.10	0.09	0.09	0.09
0.09	0.09	0.09	0.09	0.09
0.07	0.07	0.07	0.07	0.07
0.10	0.10	0.10	0.10	0.10
0.08	0.08	0.10	0.10	0.10
0.08	0.08	0.08	0.08	0.08
0.08	0.08	0.07	0.07	0.07
0.08	0.08	0.08	0.08	0.08
0.10	0.10	0.10	0.10	0.10

RANDOLPH COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES - ALL DIRECT AND OVERLAPPING ENTITIES
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30			
	2005	2004	2003	2002
Randolph County	\$ 42,769,290	\$ 42,114,342	\$ 40,079,649	\$ 39,302,404
City of Asheboro	9,848,018	8,872,488	8,823,016	7,816,955
City of Archdale	2,088,778	1,769,050	1,711,310	1,596,306
Town of Franklinville	123,273	122,490	123,250	118,903
Town of Liberty	807,021	755,576	770,132	757,764
Town of Ramseur	597,613	597,613	642,422	671,600
City of Randleman	1,380,429	1,349,621	1,291,706	925,366
Town of Seagrove	91,848	97,283	92,695	92,184
Town of Staley	23,203	23,107	23,059	23,495
City of Trinity	219,661	218,227	215,345	213,625
School Districts:				
Asheboro School District	2,615,374	2,609,296	2,614,133	2,598,549
Archdale/Trinity School District	1,624,217	1,410,575	1,378,771	1,340,628
Fire Protection Districts:				
Fairgrove	185,297	183,655	172,596	166,641
Guil-Rand	1,716,177	1,680,946	1,644,547	1,594,025
Climax	345,085	330,006	316,530	303,652
Julian	74,312	72,485	69,200	68,717
Westside	491,505	465,720	446,530	443,201
Eastside	282,386	216,929	215,515	211,956
Level Cross	203,245	200,244	179,001	178,116
Ulah	263,346	261,275	270,152	268,073
Seagrove	153,132	146,851	149,062	147,559
Staley	134,287	132,914	124,418	120,901
Randleman	197,603	194,088	192,954	235,183
Tabernacle	167,401	164,107	159,754	156,142
Northeast	78,610	77,892	77,265	76,138
Sophia	100,847	98,756	91,373	88,109
Coleridge-Erect	139,038	138,540	138,461	137,824
Franklinville	257,911	253,342	271,933	293,222
Bennett	23,499	23,447	22,883	22,717
Farmer	115,535	114,683	109,519	106,792
Southwest	53,826	53,512	48,794	49,069

Table 8

Fiscal Year Ended June 30					
2001	2000	1999	1998	1997	1996
\$ 31,570,635	\$ 30,226,296	\$ 26,382,094	\$ 25,664,442	\$ 24,362,674	\$ 22,665,732
7,379,738	6,883,743	6,648,400	6,478,483	5,994,587	5,556,010
1,254,572	1,234,754	1,130,520	1,100,564	854,765	819,580
92,101	71,263	53,835	44,764	41,853	41,146
601,765	605,170	561,145	539,512	533,131	481,416
616,346	671,980	559,276	683,804	605,917	565,268
770,730	714,988	667,373	526,109	521,070	471,774
74,320	71,681	75,616	56,700	53,653	51,321
16,605	15,824	16,025	15,204	14,139	11,578
155,940	150,355	142,464	124,152		
2,088,948	2,024,649	1,958,154	1,882,350	1,824,050	1,729,174
1,131,909	1,118,052	1,042,940	1,008,664	953,670	895,909
131,395	125,099	112,030	55,561	50,411	45,938
1,211,716	1,200,860	1,132,548	1,114,245	1,047,402	986,723
225,208	218,380	195,973	184,112	170,193	155,835
52,271	51,410	48,567	47,650	45,765	42,190
326,870	318,381	298,390	302,194	291,872	274,466
161,469	161,211	151,024	141,948	138,439	128,879
130,191	128,483	116,254	109,533	105,517	92,573
207,696	204,425	192,776	180,480	171,640	157,191
115,304	115,527	109,984	110,166	100,854	94,930
89,582	77,181	71,991	70,381	67,429	62,401
200,400	194,829	189,800	183,918	170,825	158,182
117,767	117,184	109,085	106,422	100,956	92,421
61,889	56,608	57,139	50,251	47,947	44,433
66,891	66,735	62,516	62,540	58,858	54,172
102,583	100,007	91,262	88,401	87,581	80,653
222,645	217,182	201,373	193,235	187,786	176,790
18,421	18,205	17,918	17,067	16,648	15,648
78,745	77,635	71,744	61,086	58,574	52,746
37,190	36,985	34,444	35,603	31,700	29,265

Table 9

RANDOLPH COUNTY, NORTH CAROLINA
PRINCIPAL TAXPAYERS
June 30, 2005
(UNAUDITED)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Eveready Battery Company	Battery Manufacturer	\$ 128,794,359	1.51%
Klaussner Furniture Industries	Furniture Manufacturer	55,217,837	0.65%
Randolph Electric Membership Corp.	Membership Electric Company	42,740,268	0.50%
Duke Energy Corp.	Public Electric Company	42,424,957	0.50%
Ramtex, Inc.	Woven Fabric	36,446,951	0.43%
Carolina Power & Light	Public Electric Company	36,246,942	0.42%
Timken Company (The)	Bearings Manufacturer	33,019,581	0.39%
Sealy	Mattress Manufacturer	32,996,324	0.39%
North State Telephone	Public Telephone Company	31,871,739	0.37%
Central Telephone Company	Public Telephone Company	30,513,034	0.36%

Source: Randolph County Tax Department

RANDOLPH COUNTY, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2005
(UNAUDITED)

Total Assessed Value	<u>\$ 8,539,523,464</u>
Legal Debt Margin	
Debt Limitation - 8% of Total Assessed Value	<u>\$ 683,161,877</u>
Debt Applicable to Limitation:	
General Obligation Bonds	10,515,000
Installment Purchase Agreements	81,204,841
Other Debt	<u>937,649</u>
Total Debt Applicable to Limitation	<u>92,657,490</u>
Legal Debt Margin	<u>\$ 590,504,387</u>

Table 11

RANDOLPH COUNTY, NORTH CAROLINA
RATIO OF BONDED DEBT TO ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Population (1)	Assessed Value (2)	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
1996	112,926	\$ 4,857,798,910	\$ 29,725,000	0.61%	\$263
1997	115,548	5,221,057,523	27,575,000	0.53%	\$239
1998	118,722	5,487,972,811	27,040,000	0.49%	\$228
1999	121,550	5,651,109,677	24,735,000	0.44%	\$203
2000	124,142	5,912,591,002	22,305,000	0.38%	\$180
2001	126,316	6,140,643,058	19,895,000	0.32%	\$158
2002	131,095	8,149,447,600	17,505,000	0.21%	\$134
2003	132,139	8,323,040,949	15,135,000	0.18%	\$115
2004	133,836	8,425,123,966	12,805,000	0.15%	\$96
2005	134,980	8,539,523,464	10,515,000	0.12%	\$78

(1) Source: North Carolina State Demographer

(2) From Table 4

Table 12

RANDOLPH COUNTY, NORTH CAROLINA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 2,936,229	\$ 2,889,239	\$ 5,825,468	\$ 76,448,992	7.62%
1997	4,005,855	3,352,303	7,358,158	84,190,114	8.74%
1998	3,898,107	3,576,613	7,474,720	82,085,566	9.11%
1999	4,052,659	2,874,426	6,927,085	88,759,352	7.80%
2000	4,312,721	2,643,790	6,956,511	97,584,718	7.13%
2001	4,301,286	5,743,695	10,044,981	127,083,458	7.90%
2002	5,112,581	5,176,425	10,289,006	111,372,617	9.24%
2003	5,256,219	4,970,661	10,226,880	102,929,227	9.94%
2004	8,284,074	4,611,019	12,895,093	96,325,198	13.39%
2005	6,359,130	3,944,424	10,303,554	103,924,428	9.91%

(1) Includes Bond Fees.

(2) Includes General Fund, Special Revenue Funds, and Capital Project Funds.

RANDOLPH COUNTY, NORTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
 June 30, 2005
 (UNAUDITED)

	Net Bonded Debt Outstanding	Percentage Applicable to Randolph County	Amount Applicable to Randolph County
	<u> </u>	<u> </u>	<u> </u>
Randolph County	\$ 10,515,000	100%	\$ 10,515,000
City of Asheboro	<u>875,000</u>	100%	<u>875,000</u>
	<u><u>\$ 11,390,000</u></u>		<u><u>\$ 11,390,000</u></u>

(1) Excluding general obligation bonds reported in any enterprise fund.

Table 14

RANDOLPH COUNTY, NORTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Population (1)	Per Capita Income (2)	Median Age (3)	Public School Enrollment (4)	Average Unemployment Rate (5)
1996	112,926	\$ 20,566	35.3	18,950	3.50%
1997	115,548	\$ 21,311	35.4	19,660	2.70%
1998	118,722	\$ 22,141	35.6	19,762	2.80%
1999	121,550	\$ 23,166	35.6	20,951	2.90%
2000	124,142	\$ 23,592	36.16	21,515	3.10%
2001	126,316	\$ 23,512	36.37	21,317	5.30%
2002	131,095	\$ 23,313	36.52	21,905	6.40%
2003	132,139	\$ 23,651	36.64	22,377	6.03%
2004	133,836	N/A	36.84	22,779	5.40%
2005	134,980	N/A	36.99	23,228	5.17%

(1) Source: North Carolina State Demographer.

(2) Source: Bureau of Economic Analysis. Information for fiscal years 2004 and 2005 is not currently available.

(3) Source: North Carolina State Demographer. This information is not produced on a per year/per county basis.

Some of the numbers used are estimated.

(4) Source: Randolph County Board of Education and Asheboro City Board of Education.

(5) Source: North Carolina Employment Security Commission.

RANDOLPH COUNTY, NORTH CAROLINA
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Property Value (1)			
	Commercial	Residential	Exemptions	Total
1996	\$ 584,175,455	\$ 2,890,779,020	\$ 123,552,261	\$ 3,351,402,214
1997	611,357,375	2,938,869,294	113,249,452	3,436,977,217
1998	639,758,800	3,020,823,296	121,806,242	3,538,775,854
1999	658,619,830	3,131,177,471	123,144,706	3,666,652,595
2000	708,666,760	3,213,345,224	112,735,746	3,809,276,238
2001	1,009,450,745	3,287,774,178	91,102,391	4,206,122,532
2002 (4)	1,235,058,743	5,083,207,650	180,854,412	6,137,411,981
2003	1,572,846,824	4,942,081,501	230,711,625	6,284,216,700
2004	1,627,586,395	5,043,355,103	260,043,592	6,410,897,906
2005	1,444,814,081	5,146,449,363	83,336,776	6,507,926,668

(1) Source: Randolph County Tax Department. Property values are estimated based on beginning tax levy.

(2) Source: County and City Inspection Departments.

(3) Source: Federal Deposit Insurance Corporation. Figures are rounded to the nearest \$1,000. All figures are as of June 30th of each year.

(4) Increase in value is due to revaluation of property.

Table 15

Construction		Deposits	
Number Of Units	Value	Commercial Banks	Savings & Loan
1,142	\$ 79,113,599	\$ 1,035,550,000	\$ 17,541,000
1,183	91,398,444	1,101,298,000	16,792,000
1,332	105,388,895	1,118,392,000	18,888,000
1,275	122,178,341	1,173,185,000	19,954,000
1,281	125,463,087	1,187,000,000	33,000,000
1,639	127,415,762	1,251,000,000	36,000,000
1,666	111,472,171	1,316,000,000	40,000,000
2,041	114,439,408	1,252,000,000	43,000,000
2,032	130,737,733	1,321,000,000	36,000,000
2,041	129,010,326	N/A	N/A

Table 16

RANDOLPH COUNTY, NORTH CAROLINA
MISCELLANEOUS STATISTICS
 June 30, 2005
 (UNAUDITED)

County Government:

Date Incorporated

1779

Form of Government

County Commissioners/County Manager

Geographic Area

790 Square Miles

Miles of Roads:

Paved

1,586

Unpaved

117

County Population

2000 Census

By Age:	0-19	27.3%
	20-64	60.6%
	65 and over	12.1%
By Gender:	Male	49.4%
	Female	50.6%
By Race:	White	86.0%
	Hispanic	6.6%
	Black	5.6%
	Other	1.8%

Population By Area

Archdale	9,052
Asheboro	22,709
Franklinville	1,321
Liberty	2,730
Ramseur	1,664
Randleman	3,899
Seagrove	249
Staley	355
Trinity	6,825
Residents outside any city limits	86,176
	<u>134,980</u>

RANDOLPH COUNTY, NORTH CAROLINA
MISCELLANEOUS STATISTICS
 June 30, 2005
 (UNAUDITED)

Employees in County government		<u>Classified Positions</u>
General Government		
Administration		19
Computer Services		14
Tax		33
Elections		4
Register of Deeds		9
Public Buildings		10
Public Safety		
Sheriff and Jail		224
Emergency Services		72
Building Inspections		14
Day Reporting Center		17
Economic and Physical Development		
Planning and Zoning		9
Cooperative Extension Service		12
Soil and Water Conservation		2
Environmental Protection		
Public Works		5
Human Services		
Public Health		88
Social Services		137
Cultural and Recreational		
Public Library		27
		<u>696</u>

Public Schools (K-12):		
Pre-K & Elementary:		
Number of Schools		22
Number of Teachers		802
Number of Students		11,061
Middle School:		
Number of Schools		9
Number of Teachers		412
Number of Students		5,571
High School:		
Number of Schools		5
Number of Teachers		438
Number of Students		6,596

Source: Randolph County and Asheboro City Boards of Education

RANDOLPH COUNTY, NORTH CAROLINA
MISCELLANEOUS STATISTICS
 June 30, 2005
 (UNAUDITED)

Principal Employers		
<u>Company</u>	<u>Description</u>	<u>Employees</u>
Randolph County Schools	K-12 Education	1000+
Klaussner Furniture Industries	Upholstered Furniture	1000+
Mastec Services Company	Construction	1000+
Energizer Battery Manufacturing	Batteries	500-999
Randolph Hospital	Health Care	500-999
Randolph County	Government	500-999
Wal-Mart	Retail	500-999
Asheboro City Schools	K-12 Education	500-999
Acme-McCrary	Hosiery	500-999
Randolph Community College	Education	500-999
Sealy, Inc.	Mattresses	500-999
State of North Carolina	Government	500-999

Source: NC Employment Security Commission, as of December 31, 2004

Employment - Percentage By Industry		
	<u>County</u>	<u>State of NC</u>
Manufacturing	37.61%	15.49%
Retail Trade	9.31%	11.55%
Educational Services	7.32%	8.14%
Health Care and Social Assistance	7.63%	12.60%
Construction	6.81%	5.86%
Accommodation and Food Services	6.74%	8.39%
Government (excluding above)	4.77%	6.87%
Other	19.81%	31.11%

Source: NC Employment Security Commission